

STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

August 22, 2008

CHANGE NOTICE NO. 5
TO
CONTRACT NO. 071B4200156
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Integris Inc. DBA/Bull Services 822 Centennial Way, Suite 100 Lansing, MI 48917 Email: Renee.Owings@bull.com		TELEPHONE Renee Owings (517) 327-2280
		VENDOR NUMBER/MAIL CODE
		BUYER/CA (517) 241-7233 Joann Klasko
Contract Compliance Inspector: Mark Lawrence Bull Mainframe Maintenance & Enhancement – DIT MIPC		
CONTRACT PERIOD: From: February 9, 2004 To: September 30, 2009		
TERMS N/A	SHIPMENT N/A	
F.O.B. N/A	SHIPPED FROM N/A	
MINIMUM DELIVERY REQUIREMENTS N/A		

NATURE OF CHANGE (S):

Effective immediately, Change Request No.08-01 is hereby incorporated into the contract. Change Request No.08-01 is attached.

For this Change Request No.08-01 only, the first paragraph under Section I-I (entitled Limitation of Liability) will be deleted and replaced in full by Section 11.2 of Appendix A of Contract 071B1001726 by and between Bull Services and the State of Michigan, which includes terms and defining maximum allowable liability of the Parties, and shall be incorporated herein by reference. All other terms and conditions remain the same.

AUTHORITY/REASON:

DIT, Treasury, DMB and vendor concurrence.

Total Contract Value Remains: \$ 26,199,700.04

BULL SERVICES
CHANGE REQUEST No. 08-01
TO THE STATE OF MICHIGAN DEPARTMENT
OF INFORMATION TECHNOLOGY AND THE
DEPARTMENT OF TREASURY
FOR A DATA WAREHOUSE ASSESSMENT
(CONTRACT No. 071B4200156)



AUGUST 18, 2008

KnowledgeTM Solutions
| from Bull Services

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Bull Services acknowledges the rights of owners of the trademarks cited herein.

1. Introduction

Bull Services¹ is pleased to present this Change Request No. 08-01 ("Change Request") to the State of Michigan, Department of Information Technology ("MDIT") in service to the Michigan Department of Treasury ("Treasury" or "Department"), collectively referred to as the "Customer", to perform activities associated with conducting a technical assessment of the Treasury Data Warehouse².

2. Problem Statement and Project Objective

The Customer is presently engaged in a project with Bull Services and its subcontractor, Intracom, to upgrade the software of the Customer's FARSTaR system to the newest standard versions of the ESKORT system (the "ESKORT System") comprised of sub-systems Case Management & Tracking ("CM&T"), Field Audit Support, and Risk Analysis/Selection ("Selection") (the "FARSTaR Upgrade Project"). In concert with the FARSTaR Upgrade Project, the Department has the objective to assess the preparedness of the Treasury Data Warehouse environment to support this upgrade. Towards meeting this objective, the Department has requested Bull Services to provide services that:

- Address documented technical issues that have arisen through the use of the current FARSTaR system, such as invalid data and inconsistent and sometimes lengthy response times; and
- Validate that the Treasury Data Warehouse environment is optimized to take advantage of new data sources and database functionality that have become available since the original Treasury Data Warehouse implementation.

3. Background and Scope of Work

In the FARSTaR Upgrade Project, Treasury is making modifications to the newest standard versions of the ESKORT System only where necessary to address specific Treasury requirements that are not covered by the outdated FARSTaR system or its replacement. For example, Treasury receives many Internal Revenue Service ("IRS") files that are used for Tax Discovery and Selection of Business Tax audit cases. Current

¹ "Bull Services" is the trade name under which the legal entity, Integris Inc., does business. References in this document to "Bull Services" should be considered references to Integris Inc.

² As used in this proposal, "Data Warehouse" refers specifically to the Treasury Data Mart within the Michigan Enterprise Data Warehouse.

and future compliance operations rely on this data being loaded to and extracted from the Treasury Data Warehouse.

A technical assessment of the current Treasury Data Warehouse is intended to provide the following benefits.

- The upgraded ESKORT System implementation will provide greater value if the Treasury Data Warehouse environment is as robust, accurate, and optimized as much as is reasonably possible.
- Minimal improvements have been made to the Treasury Data Warehouse since 2000, and hundreds of data sources have been added to the statewide data warehouse since that time. The potential inclusion of some of new these data sources may improve tax compliance.
- Current Treasury Data Warehouse processes, which are manually intensive and not fully automated, can be assessed for improvement.
- The assessment can determine the degree of uncertainty about the quality, age, and consistency of the current Treasury Data Warehouse data, and suggest improvement methods.
- The assessment may uncover better methods to access and report on historical information that is or will be stored in the Treasury Data Warehouse.
- The current taxpayer data model may be improved to better support current and future operations.
- Newly available database functionality may provide performance enhancements to the current and planned environments.
- The assessment can determine how new extraction, transformation, and loading ("ETL") tools, currently being considered by MDIT and Treasury, may be best used.

The Services to be performed, comprising the scope of work under this Change Request, are categorized into three areas of interest:

- (1) Treasury Data Warehouse issues that are related to the ESKORT System implementation.

- (2) Data loads, including IRS data and Unisys mainframe-sourced data. This work will be performed in conjunction with the Department's and MDIT's evaluation of the IBM ETL tool set.
- (3) Design of a data model that will support multiple tax types.

4. Description of Services and Service Period

Under the umbrella of a technical assessment, Bull Services will focus its project Services in the three areas defined above.

As the first activity of this effort, prior to the commencement of any other activities, Bull Services will prepare a project work plan identifying the likely activities that Bull Services will undertake within the three abovementioned focus areas. The activities defined will be scoped within the expected project budget and schedule, but the project work plan is subject to change over time as activities – and the time it takes to complete them – are closed, new activities are added, planned activities are removed from scope, or the project budget changes. The primary focus of the activities in the project work plan will be associated with ESKORT System related activities, but the plan can be changed to cover different or additional areas of interest as time and funding permit.

The project work plan, which will be submitted to Treasury for approval, will include the planned project activities, plus the following:

- For any specific deliverable identified that is to be produced by Bull Services, the project work plan will include:
 - Title of the deliverable
 - Definition of the deliverable
 - Project activities needed to create the deliverable
 - Estimated elapsed schedule time required
 - Estimated date of completion
 - Estimated resource requirements and time to complete
 - Deliverable acceptance process and acceptance criteria
- A description of any Treasury/MDIT technical and business support activities to be undertaken by the State in support of the project work plan, including specific responsibilities to be assumed by the State.

Based on Treasury's approval of the project work plan, it is anticipated that Bull Services' activities will begin with an assessment of the tables utilized by the ESKORT System, and that this assessment will be performed using existing utilities, such as

Teradata Utilities, Queryman, Explain, and BI-Query. Then, working with MDIT, Bull Services will participate in a review of the IRS data load and other load processes that will use the IBM ETL tool suite.

Other related activities may be performed at the direction of the Department and MDIT. Such other related activities may include the following:

- Assessment of the Treasury taxpayer data model, database tables and processes to identify ways it may be improved to provide more consistent performance and results
- Assessment of the data quality and the formulation of recommendations aimed to help improve quality of future data
- In partnership with the Customer, develop and document Best Practices concerning the operation and management of the Treasury Data Warehouse, including but not limited to:

Validating data modeling techniques so that the data model is flexible and extensible for future use of the Treasury Data Warehouse in general Tax Administration operations conducted at Treasury

Assisting in the analysis of taxpayer populations through the development of queries, reports, etc.

Analyzing Treasury operations that interact with the Treasury Data Warehouse as input or output

Recommending methods for effective inclusion of additional data loads, including host (mainframe) and IRS files

Recommending methods for automation of data loads, and for data integrity routines for load validation

Assessing the proposed uses of the ETL tool proposed by MDIT for use by Treasury

- In partnership with the Customer provide support and recommendations for more effective use of the Treasury Data Warehouse by Treasury users, including but not limited to:

Recommending more effective methods, techniques and/or tools for accessing and analyzing the information currently loaded to the Treasury Data Warehouse

Identifying additional source tables, if applicable, especially with regard to the ESKORT System

Recommending data warehouse enhancements based on changes to the data warehouse over time

Identifying and documenting data security and data auditing procedures
Knowledge transfer to Customer staff members based on Bull
recommendations

5. State Responsibilities

Bull Services' ability to perform the Services defined herein is subject to the timely and complete performance of the tasks attributed to Customer in the project work plan and to the fulfillment by both Treasury and MDIT of its individual and collective responsibilities as described in this section of the Change Request. MDIT agrees to oversee and ensure that Treasury shall timely perform its obligations under this Change Request.

- Customer will provide Bull Services with all available and most current database documentation (e.g., data models, meta-data, database 'views', etc.) for data required by this project in the Treasury Data Warehouse and/or other source data tax systems. Customer will provide Bull Services access to source systems, including the Treasury Data Warehouse, for the purpose of collecting such information as may be required to create documentation not otherwise available.
- Customer will provide: remote and onsite access to the State of Michigan's network and system resources via secure State networks and using State-approved technology (remote access for this change request is restricted to the continental United States); computer time; assistance as reasonably requested by Bull Services' personnel; and any other items that may be reasonably required by Bull Services to perform the Services defined herein.
- For activities related to the assessment, testing, and/or implementation of the IBM ETL tool suite, the State will provide Bull Services with access to the necessary systems, interfaces, and environment in which the tool suite will be installed and evaluated.

6. Exclusions

Bull Services will not provide the Customer with, and the prices defined in this Change Request do not include the provision of, any products (hardware or software licenses) or any other deliverables pursuant to this Change Request except as may be defined in the project work plan. Bull Services will only provide the Time and Material ("T&M") Services defined in this Change Request and which are mutually agreed-to and included in the project work plan.

Upon mutual written agreement, Bull Services may implement one or more of the recommendations that result from this study, should available time and budget be allocated to such activities. In other instances, Customer may implement the recommendations.

7. Schedule

The actual start date of activities will be mutually agreed by Customer, and Bull Services, and will be subject to the availability of Bull Services resources. The continuation of Services is subject to the availability of the required Bull Services resources and to the State's timely fulfillment of all State responsibilities.

The actual amount of activities is further subject to the mutually agreed budget for this effort, which is presently set not to exceed Two Hundred and Forty Five Thousand Dollars (\$245,000). The budget may, however, be changed if mutually agreed to in writing by the Customer and Bull Services.

The Services to be performed under this Change Request must be completed by September 30, 2009, the current end date of Contract No. 071B4200156.

8. Pricing Terms

Pursuant to and consistent with Contract No. 071B4200156 and the Purchase Order to be issued to Bull Services by the State, Bull Services will work with Customer to supply the necessary skill set(s) and the substantial and dedicated efforts to provide the Services as defined in Sections 3 and 4, in accordance with the following hourly rate schedule.

Rate Schedule

Position Description	Rate
Data Warehouse Program Manager	\$176
Data Warehouse Project Manager	\$168
Data Warehouse Architect Principal	\$182
Data Warehouse Architect Data Modeler	\$163
Data Warehouse Architect Software Engineer	\$158
Data Warehouse Developer Senior	\$145
Data Warehouse Developer Junior	\$75
Data Warehouse - Business Analyst Senior	\$158
Data Warehouse - Business Analyst Junior	\$85
Industry Consultant - Principal	\$195
Industry Consultant - Staff	\$178

Bull Services reserves the right to assign resources to project activities that it believes are best qualified and skilled in the appropriate areas of study. Bull Services may also substitute assigned resources as it deems appropriate.

Weekly, Bull Services will provide Customer with a worksheet detailing the actual hours worked each week. The worksheet must be signed by an authorized representative of the Customer in a timely manner and provided to Bull Services in a manner as may be mutually agreed-upon. Bull Services will invoice the Customer monthly (based on Bull Services fiscal year calendar) for the Services provided.

Time spent training Bull Services personnel to perform the Services under this Change Request shall not be charged to the State.

As a Time & Material arrangement, Bull Services is responsible for providing the project resources it deems necessary to complete its assigned project work plan activities, as stated in this Change Request.

Before Bull Services commences any activities defined in this Change Request, MDIT must provide to Bull Services a Purchase Order for these Services. The Purchase Order must incorporate by reference Contract No. 071B4200156 and this Change Request No. 08-01.

9. Contract Terms

The Services shall be provided under, and this Change Request is issued pursuant to, the terms and conditions of Contract No. 071B4200156 by and between Bull Services and the State of Michigan, Department of Management and Budget Acquisition for the Department of Information Technology, as amended and as modified herein (the "Contract"). Bull Services understands that MDIT intends to enter into an inter-agency funding agreement with Treasury under which Treasury will become a third party beneficiary of the Services provided for under this Change Request No. 08-01. However, the Services shall continue to be supplied and billed by Bull Services through MDIT under the terms and conditions of the Contract. In the event of a conflict, the following order of precedence shall apply: (1) the terms of this Change Request No. 08-01; (2) prior Change Notices in descending date order; and (3) Contract No. 071B4200156.

By signing the transmittal letter and this Change Request, and by issuing a Change Notice and Purchase Order referencing this Change Request, the Contract shall be amended as follows:

1. The Notice address for Bull Services shall be replaced with the following:

Integris Inc. d/b/a Bull Services.
Attn: U.S. Finance
285 Billerica Rd
Chelmsford, MA 01824

Telephone: 978-294-5335
Facsimile: 978-294-7999

2. For this Change Request No. 08-01 only, the first paragraph under Section I-I (entitled Limitation of Liability) will be deleted and replaced in full by Section 11.2, of Appendix A of Contract 071B1001726 by and between Bull Services and the State of Michigan, which includes terms defining maximum allowable liability of the Parties, and shall be incorporated herein by reference.
3. The scope of work is defined in Sections 3 and 4 and the schedule as defined in Section 7 of this Change Request. As this is a Time & Material arrangement, the scope of work may change during the project; however, the scope of work to be performed must stay within the general areas of interest defined in Sections 3 and 4 unless agreed to in writing by Bull Services. No ownership or proprietary rights of Bull Services are transferred, and no software licenses are provided in this Change Request.
4. This Change Request is valid until September 19, 2008.

10. Signatures and Acceptance

Michigan MDIT/ Treasury

Signature _____
Name: _____
Title: _____
Date: _____

Integris Inc., d/b/a Bull Services

Signature _____
Name: Michael J. Kelliher
Title: Vice President and General Manager
Date: _____

**STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933**

December 7, 2007

**CHANGE NOTICE NO. 4
TO
CONTRACT NO. 071B4200156
between
THE STATE OF MICHIGAN
and**

NAME & ADDRESS OF VENDOR Integrus Inc. DBA/Bull Services 822 Centennial Way, Suite 100 Lansing, MI 48917 Email: Renee.Owings@bull.com	TELEPHONE Renee Owings (517) 327-2280
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-7233 Joann Klasko
Contract Compliance Inspector: Mike Breen Bull Mainframe Maintenance & Enhancement – DIT MIPC	
CONTRACT PERIOD: From: February 9, 2004 To: September 30, 2009	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	

NATURE OF CHANGE (S):

Effective immediately, this contract is hereby amended to include Teradata Government Systems LLC as a subcontractor on the contract. All other terms and conditions remain the same.

AUTHORITY/REASON:

DIT, DMB and vendor concurrence.

Total Contract Value Remains: \$ 26,199,700.04

STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET
ACQUISITION SERVICES
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

July 19, 2006

CHANGE NOTICE NO. 3
TO
CONTRACT NO. 071B4200156
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Integris Inc. DBA/Bull Services 822 Centennial Way, Suite 100 Lansing, MI 48917 Email: Renee.Owings@bull.com	TELEPHONE Renee Owings (517) 327-2280
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-7233 Joann Klasko
Contract Compliance Inspector: Jennifer Ryan Bull Mainframe Maintenance & Enhancement – DIT MIPC	
CONTRACT PERIOD: From: February 9, 2004 To: September 30, 2009	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	

NATURE OF CHANGE (S):

Effective immediately, this contract is hereby **DECREASED** by \$592,000.00. The funds were added to Integris Contract 071B1001357, as Ad Bd funds were insufficient due to the discount being applied to incorrect contract.

AUTHORITY/REASON:

DMB and vendor concurrence.

Total Revised Contract Value: \$ 26,199,700.04

**STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET
ACQUISITION SERVICES
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933**

July 5, 2006

**CHANGE NOTICE NO. 2
TO
CONTRACT NO. 071B4200156
between
THE STATE OF MICHIGAN
and**

NAME & ADDRESS OF VENDOR Integris Inc. DBA/Bull Services 822 Centennial Way, Suite 100 Lansing, MI 48917 Steve.Karzewski@bull.com	TELEPHONE Steve Karzewski (517) 327-2262
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-7233 Joann Klasko
Contract Compliance Inspector: Jennifer Ryan Bull Mainframe Maintenance & Enhancement – DIT MIPC	
CONTRACT PERIOD: From: February 9, 2004 To: September 30, 2009	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	

NATURE OF CHANGE (S):

Effective immediately, this contract is hereby **EXTENDED** through September 30, 2009 and **INCREASED** by \$18,191,500.60 per the attached Statement of Work to provide a continuation of existing hardware and software support.

All other terms, conditions, and specifications remain the same.

AUTHORITY/REASON:

DIT and vendor concurrence.

Total Estimated Contract Value Remains: \$ 26,791,700.04

**STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET
ACQUISITION SERVICES
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933**

October 12, 2005

**CHANGE NOTICE NO. 1
TO
CONTRACT NO. 071B4200156
between
THE STATE OF MICHIGAN
and**

NAME & ADDRESS OF VENDOR Integrus Inc. DBA/Bull Services 822 Centennial Way, Suite 100 Lansing, MI 48917 Steve.Karzewski@bull.com	TELEPHONE Steve Karzewski (517) 327-2262
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-7233 Joann Klasko
Contract Compliance Inspector: Jennifer Ryan Bull Mainframe Maintenance & Enhancement – DIT MIPC	
CONTRACT PERIOD: From: February 9, 2004 To: September 30, 2006	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	

NATURE OF CHANGE (S):

Effective immediately, this contract is hereby **EXTENDED** through **September 30, 2006**.

PLEASE NOTE: The buyer has been **CHANGED** to Joann Klasko.

All other terms, conditions, and specifications remain the same.

AUTHORITY/REASON:

DIT and vendor concurrence.

Total Estimated Contract Value Remains: \$ 8,600,199.44

**STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET
ACQUISITION SERVICES
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933**

April 2, 2004

**NOTICE
TO
CONTRACT NO. 071B4200156
between
THE STATE OF MICHIGAN
and**

NAME & ADDRESS OF VENDOR Integrus Inc. DBA/Bull Services 822 Centennial Way, Suite 100 Lansing, MI 48917 Tom.Patrick@bull.com	TELEPHONE Tom Patrick (517) 327-2280
	VENDOR NUMBER/MAIL CODE
	BUYER (517) 335-0462 Christine Mitchell
Contract Administrator Robert Padgett Bull Mainframe Maintenance & Enhancement – DIT MIPC	
CONTRACT PERIOD: From: February 9, 2004 To: February 8, 2006	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	

The terms and conditions of this Contract are those of [REQ #084R4001364](#), this Contract Agreement and the vendor's quote dated [October 27, 2003](#). In the event of any conflicts between the specifications, terms and conditions indicated by the State and those indicated by the vendor, those of the State take precedence.

Estimated Contract Value: \$ 8,600,199.44

STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET
ACQUISITION SERVICES
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

CONTRACT NO. 071B4200156
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Integris Inc. DBA/Bull Services 822 Centennial Way, Suite 100 Lansing, MI 48917		TELEPHONE Tom Patrick (517) 327-2280
		VENDOR NUMBER/MAIL CODE
		BUYER (517) 335-0462 Christine Mitchell
Contract Administrator Robert Padgett Bull Mainframe Maintenance & Enhancement – DIT MIPC		
CONTRACT PERIOD: From: February 9, 2004 To: February 8, 2006		
TERMS N/A	SHIPMENT N/A	
F.O.B. N/A	SHIPPED FROM N/A	
MINIMUM DELIVERY REQUIREMENTS N/A		
MISCELLANEOUS INFORMATION: The terms and conditions of this Contract are those of REQ #084R4001364, this Contract Agreement and the vendor's quote dated October 27, 2003. In the event of any conflicts between the specifications, terms and conditions indicated by the State and those indicated by the vendor, those of the State take precedence. Estimated Contract Value: \$ 8,600,199.44		

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the [REQ No. 084R4001364](#). Orders for delivery of equipment will be issued directly by the [Department of Information Technology](#) through the issuance of a Purchase Order Form.

All terms and conditions of the invitation to bid are made a part hereof.

FOR THE VENDOR:	FOR THE STATE:
Integris Inc.	Signature
_____ Firm Name	Sean Carlson, Director
_____ Authorized Agent Signature	Name
_____ Authorized Agent (Print or Type)	Acquisition Services
_____ Date	Title
	_____ Date

**ACQUISITION SERVICES
STATE OF MICHIGAN**

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APPENDICES

A	Media Server 8 Proposal
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SECTION I
CONTRACTUAL SERVICES TERMS AND CONDITIONS

I-A ISSUING OFFICE

This Contract is issued by the State of Michigan, Department of Management and Budget (DMB), Acquisition Services, hereafter known as Acquisition Services, for the State of Michigan, **Department of Information Technology (DIT)**. Where actions are a combination of those of Acquisition Services and **DIT**, the authority will be known as the State.

Acquisition Services is the sole point of contact in the State with regard to all procurement and contractual matters relating to the products or services described herein. Acquisition Services is the only office authorized to change, modify, amend, alter, clarify, etc., the prices, specifications, terms, and conditions of this Contract(s). Acquisition Services will remain the **SOLE POINT OF CONTACT** throughout the procurement process, until such time as the Director of Acquisition Services shall direct otherwise in writing. See Paragraph I-B below. All communications concerning this Contract must be addressed to:

Christine Mitchell, Buyer Specialist

DMB, Acquisition Services
2nd Floor, Mason Building
P.O. Box 30026
Lansing, MI 48909
Michelc@michigan.gov
(517) 335-0462

I-B CONTRACT ADMINISTRATOR

Upon receipt at Acquisition Services of the properly executed Contract Agreement, it is anticipated that the Director of Acquisition Services will direct that the person named below or any other person so designated be authorized to administer the Contract on a day-to-day basis during the term of the Contract. However, administration of the Contract implies no authority to change, modify, clarify, amend, or otherwise alter the prices, terms, conditions, and specifications the Contract. That authority is retained by Acquisition Services. The Contract Administrator for this project is:

Robert Padgett

Department of Information Technology
P.O. Box 30026
Lansing, MI 48909

I-C COST LIABILITY

The State of Michigan assumes no responsibility or liability for costs incurred by the Contractor prior to the signing of any Contract resulting from an ITB, or any similar request. Total liability of the State is limited to the terms and conditions of the resulting Contract.

**I-D CONTRACTOR RESPONSIBILITIES**

The Contractor will be required to assume responsibility for all contractual activities offered in their proposal whether or not that Contractor performs them. Further, the State will consider the Prime Contractor to be the sole point of contact with regard to contractual matters, including but not limited to payment of any and all costs resulting from the Contract. If any part of the work is to be subcontracted, the Contractor must notify the State and identify the subcontractor(s), including firm name and address, contact person, complete description of work to be subcontracted, and descriptive information concerning subcontractor's organizational abilities. The State reserves the right to approve subcontractors for this project and to require the Contractor to replace subcontractors found to be unacceptable for reason(s) stated in writing to the Contractor. The Contractor is totally responsible for adherence by the subcontractor to all provisions of the Contract.

I-E NEWS RELEASES

News releases pertaining to this Contract or the services, products, study, data, or project to which it relates will not be made without prior written State approval, and then only in accordance with the explicit written instructions from the State. No results of the program are to be released without prior approval of the State and then only to persons designated.

I-F DISCLOSURE

All information in a bidder's proposal and any Contract resulting from an ITB is subject to the provisions of the Freedom of Information Act, 1976 Public Act No. 442, as amended, MCL 15.231, *et seq.*

I-G ACCOUNTING RECORDS

The Contractor will be required to maintain all pertinent financial and accounting records and evidence pertaining to the Contract in accordance with generally accepted principles of accounting and other procedures specified by the State of Michigan. Financial and accounting records shall be made available, upon request, to the State of Michigan, its designees, or the Michigan Auditor General at any time during the Contract period and any extension thereof, and for three (3) years from the expiration date and final payment on the Contract or extension thereof.

I-H INDEMNIFICATION**A. General Indemnification**

Subject to the limitation set forth in Section I-I (Limitation of Liability) and subject further to the provisions of Section I-H (E), the Contractor shall indemnify, defend and hold harmless the State, its departments, divisions, agencies, sections, commissions, officers, employees and agents, from and against all losses, liabilities, penalties, fines, damages and claims (including taxes), and all related costs and expenses (including reasonable attorneys' fees and disbursements and costs of investigation, litigation, settlement, judgments, interest and penalties), arising from or in connection with any of the following:



1. any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or resulting from (1) the product provided or (2) performance of the work, duties, responsibilities, actions or omissions of the Contractor or any of its subcontractors under this Contract or from any intentional misconduct of any of the foregoing.
 2. any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or resulting from a breach by the Contractor of any representation or warranty made by the Contractor in the Contract;
 3. any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or related to occurrences that the Contractor is required to insure against as provided for in this Contract;
 4. any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or resulting from the death or bodily injury of any person, or the damage, loss or destruction of any real or tangible personal property, in connection with the performance of services by the Contractor, by any of its subcontractors, by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable; provided, however, that this indemnification obligation shall not apply to the extent, if any, that such death, bodily injury or property damage is caused by the negligence or reckless or intentional wrongful conduct of the State;
 5. any claim, demand, action, citation or legal proceeding against the State, its employees and agents which results from an act or omission of the Contractor or any of its subcontractors in its or their capacity as an employer of a person.
- B. Patent/Copyright Infringement Indemnification
- Subject to the limitation set forth in Section I-I (Limitation of Liability) and subject further to the provisions of Section I-H(E), to the fullest extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State, its employees and agents from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and disbursements and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought against the State to the extent that such action or proceeding is based on a claim that any piece of equipment, software, commodity or service supplied by the Contractor or its subcontractors, or the operation of such equipment, software, commodity or service, or the use or reproduction of any documentation provided with such equipment, software, commodity or service infringes any United States patent, copyright, trade secret or other proprietary right of any person or entity, which right is enforceable under the laws of the United States. In addition, should the equipment, software, commodity, or service, or the operation thereof, become or in the Contractor's opinion be likely to become the subject of a claim of infringement, the Contractor shall at the Contractor's sole expense (i) procure for the State the right to continue using the equipment, software, commodity or service or, if such option is not reasonably available to the Contractor, (ii) replace or modify the same with equipment, software, commodity or service of equivalent function



and performance so that it becomes non-infringing, or, if such option is not reasonably available to Contractor, (iii) accept its return by the State with appropriate credits to the State against the Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it. The foregoing sets forth the sole and exclusive rights and remedies of the State and sole and exclusive liability of the Contractor in connection with the matters covered by the indemnity set forth in this subclause.

C. Indemnification Obligation Not Limited

In any and all claims against the State of Michigan, or any of its agents or employees, by any employee of the Contractor or any of its subcontractors, the indemnification obligation under the Contract shall not be limited in any way by the amount or type of damages, compensation or benefits payable by or for the Contractor or any of its subcontractors under worker's disability compensation acts, disability benefits acts, or other employee benefits acts. This indemnification clause is intended to be comprehensive. Any overlap in subclauses, or the fact that greater specificity is provided as to some categories of risk, is not intended to limit the scope of indemnification under any other subclause in this Contract.

D. Continuation of Indemnification Obligation

The duty to indemnify will continue in full force and effect notwithstanding the expiration or early termination of the Contract with respect to any claims based on facts or conditions, which occurred prior to termination.

E. Indemnification Procedures

After receipt by the State of notice of an action or proceeding involving a claim that is covered by any of the indemnities set forth in this Contract, the State shall promptly notify Contractor of such action or proceeding and provide reasonable assistance in connection with permitting Contractor to fulfill its indemnification obligations hereunder. Contractor shall be given authority to carry out the defense or settlement of such indemnity, provided that Contractor shall work cooperatively with the State Attorney General's Office, and shall obtain the prior written consent of the State in connection with any settlement, where such consent shall not be unreasonably withheld or delayed.

I-I LIMITATION OF LIABILITY

The Contractor's aggregate liability for actual damages to the State shall be limited to the Total Contract Value, but not less than two million dollars (\$2,000,000), nor greater than ten million dollars (\$10,000,000.00). The foregoing limitation of liability shall not apply to claims for infringement of United States patent, copyright, trademarks or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of this Contract calling for liquidated damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Contract.

The parties agree that neither the Contractor nor the State shall be liable to each other, regardless of the form of action, whether in contract, tort, strict liability, or otherwise, for consequential, incidental, indirect, or special damages including lost profits, sustained or incurred in connection with this Contract and whether or not such damages are foreseeable. The foregoing limitation of liability shall not apply to claims for infringement



of United States patent, copyright, trademark or trade secrets or to claims for personal injury or damage to property (excluding loss of data) caused by the gross negligence or willful misconduct of the Contractor.

I-J NON INFRINGEMENT/COMPLIANCE WITH LAWS

The Contractor warrants that in performing the services and providing products called for by this Contract it will not knowingly violate (a) any applicable law, rule, or regulation, any contracts with third parties, or (b) any intellectual rights of any third party, including but not limited to, any United States patent, trademark, copyright, or trade secret.

I-K WARRANTIES AND REPRESENTATIONS

(1) Statement of Work Based Warranties

Any products or services that are to be sold by Contractor and purchased by the State under this Contract shall be described in proposals or statements or work that shall reference this Contract and be attached hereto (the "Applicable Statements of Work"), where the first Applicable Statement of Work is the Media Server 8 Statement of Work attached as Exhibit A to this Contract (the "Media Server 8 Statement of Work"). If and to the extent an Applicable Statement of Work sets forth any warranties for the products and/or services described in the Applicable Statement of Work, such warranties shall be extended to the State, subject to the applicability of Section I(J)(3), Consequences for Breach of Warranty and Section I(J)(4), Disclaimer of Warranty, with respect to those warranties as if such subsections had been repeated in the Applicable Statement of Work.

(2) Additional Representations and Warranties

Contractor hereby makes the additional representations and warranties set forth below with respect to its performance under this Contract, subject to the Consequences for Breach of Warranty and the Disclaimer of Warranty provisions set forth in this Section I-K (3) and I-K (4) below, where the duration of the warranty is for the period in which the product or service is being provided under this Contract.

1. The Contractor will use adequate numbers of qualified individuals with suitable training, education, experience and skill to perform the services described in the Applicable Statement of Work (the "Services");
2. The Contractor will use its best commercial efforts to use efficiently any resources or services necessary to provide the Services that are separately chargeable to the State;
3. The Contractor will use its best commercial efforts to perform the services in the most cost effective manner consistent with the required level of quality and performance;
4. The Contractor will perform the Services in a manner that does not knowingly infringe the proprietary rights of any third party;
5. The Contractor will perform the Services in a manner that complies with all applicable laws and regulations;



6. The Contractor has duly authorized the execution, delivery and performance of the Contract; and
7. The Contractor has not provided any gifts, payments or other inducements to any officer, employee or agent of the State.

(3) Consequences for Breach of Warranty

If Contractor breaches any of the warranties set forth in this Contract, where specified in this Section I-K or in an Applicable Statement of Work, such breach may be considered as a default in the performance of a material obligation of this Contract, provided, however, that Contractor's obligation shall be limited to the use of best commercial efforts to cure the breached warranty, including, where applicable, performing the obligation or providing the applicable product or Service to the State so that it conforms to the express warranty stated above. If, after repeated efforts, Contractor is unable to perform the obligation or provide the applicable product or Service so that it conforms to the warranty, then the State's sole and exclusive remedy and Contractor's entire liability shall be limited to the State's actual damages as a result of that breach, subject to the Limitation of Liability set forth in Section I-L.

(4) Disclaimer of Warranty

THE FOREGOING EXPRESS WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES AND EACH PARTY EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, BY OPERATION OF LAW OR OTHERWISE, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. CONTRACTOR DOES NOT WARRANT THAT THE USE OF ANY PRODUCTS, INCLUDING ANY SOFTWARE, WILL BE UNINTERRUPTED OR ERROR-FREE.

I-L WORK PRODUCT AND OWNERSHIP

1. "Work Products" means any data compilations, reports and any other media, materials or other works of authorship created or produced by Contractor as a result and in furtherance of performing the Services required by this Contract, unless any of the foregoing is expressly identified in an Applicable Statement of Work as not being owned by the State but instead is identified as being licensed by Contractor to the State pursuant to license terms set forth in the Applicable Statement of Work, where the latter shall hereinafter be referred to as the "Licensed Products". Work Products shall be considered works made by the Contractor for hire by the State and shall belong exclusively to the State and its designees, unless specifically provided otherwise by mutual agreement of the Contractor and the State or reflected as such in the Applicable Statement of Work, in which case such works shall be considered "Licensed Products". If, by operation of law, any of the Work Product, including all related intellectual property rights, is not owned in its entirety by the State automatically upon creation thereof, the Contractor agrees to assign, and hereby assigns to the State and its designees the ownership of such Work Product, including all related intellectual property rights. The Contractor agrees to provide, at no additional charge, any reasonable assistance and to execute any action reasonably required for the State to perfect its intellectual property rights with respect to the aforementioned Work Product.



2. Notwithstanding any provision of this Contract to the contrary, any preexisting work or materials including, but not limited to, any routines, libraries, tools, methodologies, processes or technologies (collectively, the "Development Tools") and any of the Software described in the Applicable Statement of Work, including, without limitation, the Media Server 8 Statement of Work, that is created, adapted or used by the Contractor in its business generally, including any and all associated intellectual property rights, shall be and remain the sole property of the Contractor, and the State shall have no interest in or claim to such preexisting work, materials, Software or Development Tools, except as necessary to exercise its rights in the Work Product, where all of the foregoing shall be considered Licensed Products. Such rights belonging to the State shall include, but not be limited to, the right to use, execute, reproduce, display, perform and distribute copies of and prepare derivative works based upon the Work Product, and the right to authorize others to do any of the foregoing, irrespective of the existence therein of preexisting work, materials and Development Tools, except as specifically limited herein, including, without limitation, as set forth in an Applicable Statement of Work.
3. The Contractor and its subcontractors shall be free to use and employ their general skills, knowledge and expertise, and to use, disclose, and employ any generalized ideas, concepts, knowledge, methods, techniques or skills gained or learned during the course of performing the Services and delivering the Products under this Contract, so long as the Contractor or its subcontractors acquire and apply such information without disclosure of any confidential or proprietary information of the State, and without any unauthorized use or disclosure of any Work Product resulting from this Contract.

I-M CONFIDENTIALITY OF DATA AND INFORMATION

1. All financial, statistical, personnel, technical and other data and information relating to the State's operation which are designated confidential by the State and made available to the Contractor in order to carry out this Contract, or which become available to the Contractor in carrying out this Contract, shall be protected by the Contractor from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to the State. The identification of all such confidential data and information as well as the State's procedural requirements for protection of such data and information from unauthorized use and disclosure shall be provided by the State in writing to the Contractor. If the methods and procedures employed by the Contractor for the protection of the Contractor's data and information are deemed by the State to be adequate for the protection of the State's confidential information, such methods and procedures may be used, with the written consent of the State, to carry out the intent of this section.
2. The Contractor shall not be required under the provisions of this section to keep confidential, (1) information generally available to the public, (2) information released by the State generally, or to the Contractor without restriction, (3) information independently developed or acquired by the Contractor or its personnel without reliance in any way on otherwise protected information of the State. Notwithstanding the foregoing restrictions, the Contractor and its personnel may use and disclose any information which it is otherwise required by law to disclose, but in each case only after the State has been so notified, and has had the opportunity, if possible, to obtain reasonable protection for such information in connection with such disclosure.

**I-N REMEDIES FOR BREACH OF CONFIDENTIALITY**

The Contractor acknowledges that a breach of its confidentiality obligations as set forth in section I-L of this Contract shall be considered a material breach of the Contract. Furthermore the Contractor acknowledges that in the event of such a breach the State may be irreparably harmed. Accordingly, if a court should find that the Contractor has breached or attempted to breach any such obligations, the Contractor will not oppose the entry of an appropriate order restraining it from any further breaches or attempted or threatened breaches. This remedy shall be in addition to and not in limitation of any other remedy or damages provided by law, subject to the Limitation of Liability set forth in Section I-L.

I-O CONTRACTOR'S LIABILITY INSURANCE

The Contractor is required to provide proof of the minimum levels of insurance coverage as indicated below. The purpose of this coverage shall be to protect the State from claims which may arise out of or result from the Contractor's performance of Services under the terms of this Contract, whether such Services are performed by the Contractor, or by any subcontractor, or by anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable.

The Contractor waives all rights against the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents for recovery of damages to the extent these damages are covered by the insurance policies the Contractor is required to maintain pursuant to this Contract. The Contractor also agrees to provide evidence that all applicable insurance policies contain a waiver of subrogation by the insurance company.

All insurance coverages provided relative to this Contract/Purchase Order is PRIMARY and NON-CONTRIBUTING to any comparable liability insurance (including self-insurances) carried by the State.

The Insurance shall be written for not less than any minimum coverage herein specified or required by law, whichever is greater. All insurance coverage shall be with a carrier containing an AM Best rating of A- or better.

The State reserves the right to reject insurance written by an insurer the State deems unacceptable due to the failure of such insurer to provide the insurance described in this Section.

BEFORE THE CONTRACT IS SIGNED BY BOTH PARTIES OR BEFORE THE PURCHASE ORDER IS ISSUED BY THE STATE, THE CONTRACTOR MUST FURNISH TO THE DIRECTOR OF ACQUISITION SERVICES, CERTIFICATE(S) OF INSURANCE VERIFYING INSURANCE COVERAGE. THE CERTIFICATE MUST BE ON THE STANDARD "ACCORD" FORM. THE CONTRACT OR PURCHASE ORDER NO. MUST BE SHOWN ON THE CERTIFICATE OF INSURANCE TO ASSURE CORRECT FILING. All such Certificate(s) are to be prepared and submitted by the Insurance Provider and not by the Contractor. All such Certificate(s) shall contain a provision indicating that coverages afforded under the policies WILL NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED without THIRTY (30) days prior written notice, except for 10 days for non-payment of premium, having been given to the Director of Acquisition Services, Department of Management and Budget. Such NOTICE must include the CONTRACT NUMBER affected and be mailed to: Director, Acquisition Services, Department of Management and Budget, P.O. Box 30026, Lansing, Michigan 48909.



The Contractor is required to provide the type and amount of insurance checked (☑) below:

- ☑ 1. Commercial General Liability with the following minimum coverages, provided that such coverage may be obtained through a combination of primary and umbrella coverages:

\$2,000,000 General Aggregate Limit other than Products/Completed Operations
 \$2,000,000 Products/Completed Operations Aggregate Limit
 \$1,000,000 Personal & Advertising Injury Limit
 \$1,000,000 Each Occurrence Limit
 \$500,000 Fire Damage Limit (any one fire)

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the Commercial General Liability policy.

- ☑ 2. If a motor vehicle is used to provide services or products under this Contract, the Contractor must have vehicle liability insurance on any auto including owned, hired and non-owned vehicles used in Contractor's business for bodily injury and property damage as required by law.

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the vehicle liability policy.

- ☑ 3. Worker's disability compensation, disability benefit or other similar employee benefit act with minimum statutory limits. NOTE: (1) If coverage is provided by a State fund or if Contractor has qualified as a self-insurer, separate certification must be furnished that coverage is in the state fund or that Contractor has approval to be a self-insurer; (2) Any citing of a policy of insurance must include a listing of the States where that policy's coverage is applicable or an indication that coverage applies in all States; and (3) Any policy of insurance must contain a provision or endorsement providing that the insurers' rights of subrogation are waived. This provision shall not be applicable where prohibited or limited by the laws of the jurisdiction in which the work is to be performed.

- ☑ 4. For contracts providing temporary staff personnel to the State, the Contractor shall provide an Alternate Employer Endorsement with minimum coverage of \$1,000,000.

- ☑ 5. Employers liability insurance with the following minimum limits:

\$100,000 each accident
 \$100,000 each employee by disease
 \$500,000 aggregate disease



- ☐ 6. Professional Liability Insurance (Errors and Omissions coverage) with the following minimum coverage: *(to be used if contracting for insurance agents, accountants, lawyers, architects, engineers and surveyors.)*
 - ☐ \$1,000,000 each occurrence and \$3,000,000 annual aggregate
 - ☐ \$3,000,000 each occurrence and \$5,000,000 annual aggregate
 - ☐ \$5,000,000 each occurrence and \$10,000,000 annual aggregate

- ☐ 7. Medical Professional Liability, minimum coverage *(Medical Professional Liability Insurance is required anytime the State contracts with a medical professional. If a single practitioner will be providing services on site at an agency facility, CGL is NOT required.)*
 - ☐ \$100,000 each occurrence and \$300,000 annual aggregate *(for single practitioner)*
 - ☐ \$200,000 each occurrence and \$600,000 annual aggregate *(for single practitioner)*
 - ☐ \$1,000,000 each occurrence and \$5,000,000 annual aggregate *(for group practice)*

Contractor may fulfill the requirements of items 1 through 3 and 5 of this Section through any combination of primary and excess (umbrella) coverage.

I-P NOTICE AND RIGHT TO CURE

In the event of a curable breach by the Contractor, the State shall provide the Contractor written notice of the breach and a time period to cure said breach described in the notice. The time period for curing the breach or for providing an acceptable plan for curing the breach shall be not less than thirty (30) days from Contractor's receipt of such notice. Failure by the Contractor to cure the breach or commence curing through diligent efforts through any acceptable plan may be determined by the State to be a material breach of the Contract. This section requiring notice and an opportunity to cure shall not be applicable in the event of successive or repeated breaches of the same nature or if the State determines in its sole discretion that the breach poses a serious and imminent threat to the health or safety of any person or the imminent loss, damage or destruction of any real or tangible personal property.

I-Q CANCELLATION

The State may cancel this Contract without further liability (other than the obligation to make payments described below for Products delivered or Services performed prior to the effective date of cancellation) or penalty to the State, its departments, divisions, agencies, offices, commissions, officers, agents and employees for any of the following reasons:



1. Material Breach by the Contractor. In the event that the Contractor breaches any of its material duties or obligations under the Contract, which are either not capable of or subject to being cured, or are not cured within the time period specified in the written notice of breach provided by the State or in the acceptable plan provided by the Contractor under Section I-P above, or pose a serious and imminent threat to the health and safety of any person, or the imminent loss, damage or destruction of any real or tangible personal property, the State may, having provided written notice of cancellation to the Contractor, cancel this Contract in whole or in part, for cause, as of the date specified in the notice of cancellation.

In the event that this Contract is cancelled for cause, in addition to any legal remedies otherwise available to the State by law or equity, the Contractor shall be responsible for all costs incurred by the State in canceling the Contract, including but not limited to, State administrative costs, attorneys fees and court costs, and any additional costs the State may incur to procure the services required by this Contract from other sources, subject to the Limitation of Liability. All excess reprocurement costs and damages shall not be considered by the parties to be consequential, indirect or incidental, and shall not be excluded by any other terms otherwise included in the Contract.

In the event the State chooses to partially cancel this Contract for cause charges payable under this Contract will be equitably adjusted to reflect those Services that are cancelled.

In the event this Contract is cancelled for cause pursuant to this section, and it is therefore determined, for any reason, that the Contractor was not in breach of contract pursuant to the provisions of this section, that cancellation for cause shall be deemed to have been a cancellation for convenience, effective as of the same date, and the rights and obligations of the parties shall be limited to that otherwise provided in the Contract for a cancellation for convenience.

2. Cancellation For Convenience By the State. The State may cancel this Contract for it convenience, in whole or part, if the State determines that such a cancellation is in the State's best interest. Reasons for such cancellation shall be left to the sole discretion of the State and may include, but not limited to (a) the State no longer needs the Services or Products specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Contract Services no longer practical or feasible, and (c) unacceptable prices for additional services requested by the State. The State may cancel the Contract for its convenience, in whole or in part, by giving the Contractor written notice 30 days prior to the date of cancellation. If the State chooses to cancel this Contract in part, the charges payable under this Contract shall be equitably adjusted to reflect those Services that are cancelled, provided, however, that there shall be no equitable adjustment to the extent the State cancels any of the Services described in an Applicable Statement of Work for which annual pricing has been provided where the State cancels after the commencement of the twelve (12) month term corresponding to such annual price.



3. Non-Appropriation. In the event that funds to enable the State to effect continued payment under this Contract are not appropriated or otherwise made available. The Contractor acknowledges that, if this Contract extends for several fiscal years, continuation of this Contract is subject to appropriation or availability of funds for this project. If funds are not appropriated or otherwise made available, the State shall have the right to cancel this Contract at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of cancellation to the Contractor. The State shall give the Contractor written notice of such non-appropriation or unavailability within 30 days after it receives notice of such non-appropriation or unavailability.
4. Criminal Conviction. In the event the Contractor, an officer of the Contractor, or an owner of a 25% or greater share of the Contractor, is convicted of a criminal offense incident to the application for or performance of a State, public or private Contract or subcontract; or convicted of a criminal offense including but not limited to any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, attempting to influence a public employee to breach the ethical conduct standards for State of Michigan employees; convicted under State or federal antitrust statutes; or convicted of any other criminal offense which in the sole discretion of the State, reflects upon the Contractor's business integrity.
5. Approvals Rescinded. The State may terminate this Contract without further liability or penalty in the event any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services pursuant to Constitution 1963, Article 11, section 5, and Civil Service Rule 4-6. Termination may be in whole or in part and may be immediate as of the date of the written notice to Contractor or may be effective as of the date stated in such written notice.

I-R RIGHTS AND OBLIGATIONS UPON CANCELLATION

1. If the Contract is canceled by the State for any reason, the Contractor shall, (a) stop all work as specified in the notice of cancellation, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Work Product or other property derived or resulting from the Contract that may be in the Contractor's possession, (c) return all materials and property provided directly or indirectly to the Contractor by any entity, agent or employee of the State, (d) transfer title and deliver to the State, unless otherwise directed by the Contract Administrator or his or her designee, all Work Product resulting from the Contract, provided that the State has paid for such Work Product, as set forth in subsection 2 below, and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or cancellation settlement costs, to the maximum practical extent, including, but not limited to, canceling or limiting as otherwise applicable, those subcontracts, and outstanding orders for material and supplies resulting from the canceled Contract.



2. In the event the State cancels this Contract prior to its expiration for its own convenience, the State shall pay the Contractor for all charges due for Products or Services provided prior to the date of cancellation and if applicable as a separate item of payment pursuant to the Contract, for partially completed Work Product, on a percentage of completion basis, or that are identified in the Applicable Statement of Work as being non-cancelable once the period corresponding to that Service has commenced. In the event of a cancellation for cause, or any other reason under the Contract, the State will pay, if applicable, as a separate item of payment pursuant to the Contract, for all partially completed Work Products, to the extent that the State requires the Contractor to submit to the State any such deliverables, and for all charges due under the Contract for any cancelled Products or Services provided by the Contractor prior to the cancellation date. All completed or partially completed Work Product prepared by the Contractor pursuant to this Contract shall, at the option of the State, become the State's property, and the Contractor shall be entitled to receive just and fair compensation for such Work Product. Regardless of the basis for the cancellation, the State shall not be obligated to pay, or otherwise compensate, the Contractor for any lost expected future profits, costs or expenses incurred with respect to Services not actually performed for the State.
3. If any such cancellation by the State is for cause, the State shall have the right to set-off against any amounts due the Contractor, the amount of any damages for which the Contractor is liable to the State under this Contract or pursuant to law and equity.
4. Upon a good faith cancellation, the State may further pursue completion of the Work Product under this Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

I-S EXCUSABLE FAILURE

1. Neither party shall be liable for any default or delay in the performance of its obligations under the Contract if and to the extent such default or delay is caused, directly or indirectly, by: fire, flood, earthquake, elements of nature or acts of God; riots, civil disorders, rebellions or revolutions in any country; the failure of the other party to perform its material responsibilities under the Contract (either itself or through another contractor); injunctions (provided the injunction was not issued as a result of any fault or negligence of the party seeking to have its default or delay excused); or any other cause beyond the reasonable control of such party; provided the non-performing party and its subcontractors are without fault in causing such default or delay, and such default or delay could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing party through the use of alternate sources, workaround plans or other means, including disaster recovery plans. In such event, the non-performing party will be excused from any further performance or observance of the obligation(s) so affected for as long as such circumstances prevail and such party continues to use its best commercial efforts to recommence performance or observance whenever and to whatever extent possible without delay provided such party promptly notifies the other party in writing of the inception of the excusable failure occurrence, and also of its abatement or cessation.



2. If any of the above enumerated circumstances substantially prevent, hinder, or delay performance of the services necessary for the performance of the State's functions for more than 14 consecutive days, and the State determines that performance is not likely to be resumed within a period of time that is satisfactory to the State in its reasonable discretion, then at the State's option: (a) the State may procure the affected Services from an alternate source, and the State shall not be liable for payments for the unperformed Services under the Contract for so long as the delay in performance shall continue; (b) the State may cancel any portions of the Contract so affected and the charges payable thereunder shall be equitably adjusted to reflect those Services canceled; or (c) the Contract will be canceled without liability of the State to the Contractor as of the date specified by the State in a written notice of cancellation to the Contractor. The Contractor will not have the right to any additional payments from the State as a result of any excusable failure occurrence or to payments for Services not rendered as a result of the excusable failure condition. Defaults or delays in performance by the Contractor which are caused by acts or omissions of its subcontractors will not relieve the Contractor of its obligations under the Contract except to the extent that a subcontractor is itself subject to any excusable failure condition described above and the Contractor cannot reasonably circumvent the effect of the subcontractor's default or delay in performance through the use of alternate sources, workaround plans or other means.

I-T ASSIGNMENT

The Contractor shall not have the right to assign this Contract or to assign or delegate any of its duties or obligations under this Contract to any other party (whether by operation of law or otherwise), without the prior written consent of the State. Any purported assignment in violation of this section shall be null and void. Further, the Contractor may not assign the right to receive money due under the Contract without the prior written consent of the Director of Acquisition Services.

I-U DELEGATION

The Contractor shall not delegate any duties or obligations under this Contract to a subcontractor other than a subcontractor named in the bid or Statement of Work unless the Director of Acquisition Services has given written consent to the delegation.

I-V NON-DISCRIMINATION CLAUSE

In the performance of this Contract or purchase order the Contractor agrees not to discriminate against any employee or applicant for employment, with respect to their hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, marital status, physical or mental disability unrelated to the individual's ability to perform the duties of the particular job or position. The Contractor further agrees that every subcontract entered into for the performance of any Contract or purchase order will contain a provision requiring non-discrimination in employment, as herein specified, binding upon each subcontractor. This covenant is required pursuant to the Elliot Larsen Civil Rights Act, 1976 Public Act 453, as amended, MCL 37.2101, *et seq*, and the Persons with Disabilities Civil Rights Act, 1976 Public Act 220, as amended, MCL 37.1101, *et seq*, and any breach thereof may be regarded as a material breach of the Contract or purchase order.

**I-W WORKPLACE SAFETY AND DISCRIMINATORY HARASSMENT**

In performing services for the State pursuant to this Contract, the Contractor shall comply with Department of Civil Service Rules 2-20 regarding Workplace Safety and 1-8.3 regarding Discriminatory Harassment. In addition, the Contractor shall comply with Civil Service Regulations governing workplace safety and discriminatory harassment and any applicable state agency rules on these matters that the agency provides to the Contractor. Department of Civil Service Rules and Regulations can be found on the Department of Civil Service website at www.state.mi.us/mdcs/Regindx.

I-X MODIFICATION OF SERVICE

The Director of Acquisition Services reserves the right to modify the Services during the course of this Contract via Contract amendment. Such modification may include adding or deleting tasks that the Services shall encompass and/or any other modifications deemed necessary.

The Contract may not be revised, modified, amended, extended, or augmented, except by a writing executed by the parties hereto, and any breach or default by a party shall not be waived or released other than in writing signed by the other party.

The State reserves the right to request from time to time, any changes to the requirements and specifications of the Contract and the work to be performed by the Contractor under the Contract. The Contractor shall provide a change order process and all requisite forms. The State reserves the right to negotiate the process during contract negotiation. At a minimum, the State would like the Contractor to provide a detailed outline of all work to be done, including tasks necessary to accomplish the deliverables, timeframes, listing of key personnel assigned, estimated hours for each individual per task, and a complete and detailed cost justification.

1. Within fifteen (15) business days of receipt of a request by the State for any such change, or such other period of time as to which the parties may agree mutually in writing, the Contractor shall submit to the State a proposal describing any changes in Products, Services, timing of delivery, assignment of personnel, and the like, and any associated price adjustment. The price adjustment shall be based on a good faith determination and calculation by the Contractor of the additional cost to the Contractor in implementing the change request less any savings realized by the Contractor as a result of implementing the change request. The Contractor's proposal shall describe in reasonable detail the basis for the Contractor's proposed price adjustment, including the estimated number of hours by task by labor category required to implement the change request.
2. If the State accepts the Contractor's proposal, it will issue a change notice and the Contractor will implement the change request described therein. The Contractor will not implement any change request until a change notice has been issued validly. The Contractor shall not be entitled to any compensation for implementing any change request or change notice except as provided explicitly in an approved change notice.



3. If the State does not accept the Contractor's proposal, the State may:
 - a. withdraw its change request; or
 - b. modify its change request, in which case the procedures set forth above will apply to the modified change request.

If the State requests or directs the Contractor to perform any activities that are outside the scope of the Contractor's responsibilities under the Contract as set forth in an Applicable Statement of Work ("New Work"), the Contractor must notify the State promptly, and before commencing performance of the requested activities, that it believes the requested activities are New Work. If the Contractor fails to so notify the State prior to commencing performance of the requested activities, any such activities performed before notice is given by the Contractor shall be conclusively considered to be In-scope Services, not New Work.

If the State requests or directs the Contractor to perform any Services or functions that are consistent with and similar to the Services being provided by the Contractor under the Contract, but which the Contractor reasonably and in good faith believes are not included within the scope of the Contractor's responsibilities and charges as set forth in the Contract, then prior to performing such Services or function, the Contractor shall promptly notify the State in writing that it considers the Services or function to be an "Additional Service" for which the Contractor should receive additional compensation. If the Contractor does not so notify the State, the Contractor shall have no right to claim thereafter that it is entitled to additional compensation for performing such Services or functions. If the Contractor does so notify the State, then such a Service or function shall be governed by the change request procedure set forth in the preceding paragraph.

IN THE EVENT PRICES ARE NOT ACCEPTABLE TO THE STATE, THE CONTRACT SHALL BE SUBJECT TO COMPETITIVE BIDDING BASED UPON THE NEW SPECIFICATIONS.

I-Y NOTICES

Any notice given to a party under this Contract must be written and shall be deemed effective, if addressed to such party as addressed below upon (i) delivery, if hand delivered; (ii) receipt of a confirmed transmission by facsimile if a copy of the notice is sent by another means specified in this section; (iii) the third (3rd) Business Day after being sent by U.S. mail, postage pre-paid, return receipt requested; or (iv) the next Business Day after being sent by a nationally recognized overnight express courier with a reliable tracking system. Approved Contract Amendment notices will be provided via email and deemed received three business days after being sent.

For the Contractor: Integris Inc.
 Attn: U.S. Finance
 300 Concord Road
 Billerica, MA 01821
 Tel: (978) 294-5335
 FAX: (978) 294-7999
 Email: US-ContractAdmin@bull.com



With a copy to: Integris Inc.
 300 Concord Road
 Billerica, MA 01821
 Attn: General Counsel
 Tel: (978) 294-5448
 FAX: (978) 294-7999

For the State: Christine Mitchell
 P.O. Box 30026
 Lansing, MI 48909
 michelc@michigan.gov
 (517) 335-0462 voice
 (517) 335-0046 fax

Either party may change its address where notices are to be sent giving written notice in accordance with this section.

I-Z ENTIRE AGREEMENT

The contents of this document and the Contractor's proposal(s), as set forth in Applicable Statement(s) of Work will become contractual obligations, if a Contract ensues. Failure of the Contractor to accept these obligations may result in cancellation of the award.

The executed Contract document, including, without limitation, Applicable Statement(s) of Work, shall represent the entire agreement between the parties with respect to the subject matter thereto and supersedes all proposals or other prior agreements, oral or written, and all other communications between the parties relating to this subject. In the case of any conflict or inconsistency between the terms and conditions of this Contract document and an Applicable Statement of Work, this Contract document shall prevail over the Statement of Work.

I-AA NO WAIVER OF DEFAULT

The failure of a party to insist upon strict adherence to any term of a Contract resulting from an RFP shall not be considered a waiver or deprive the party of the right thereafter to insist upon strict adherence to that term, or any other term, of the Contract.

I-BB SEVERABILITY

Each provision of the Contract shall be deemed to be severable from all other provisions of the Contract and, if one or more of the provisions of the Contract shall be declared invalid, the remaining provisions of the Contract shall remain in full force and effect to the extent that the intent of the parties is preserved thereby.

**I-CC HEADINGS**

Captions and headings used in the Contract are for information and organization purposes. Captions and headings, including inaccurate references, do not, in any way, define or limit the requirements or terms and conditions of this Contract.

I-DD RELATIONSHIP OF THE PARTIES

The relationship between the State and the Contractor is that of customer and independent Contractor. No agent, employee, or servant of the Contractor or any of its subcontractors shall be or shall be deemed to be an employee, agent, or servant of the State for any reason. The Contractor will be solely and entirely responsible for its acts and the acts of its agents, employees, servants and subcontractors during the performance of this Contract.

I-EE UNFAIR LABOR PRACTICES

Pursuant to 1980 Public Act 278, as amended, MCL 423.231, et seq, the State shall not award a Contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled pursuant to section 2 of the Act. This information is compiled by the United States National Labor Relations Board.

A Contractor of the State, in relation to the Contract, shall not enter into a Contract with a subcontractor, manufacturer, or supplier whose name appears in this register. Pursuant to section 4 of 1980 Public Act 278, MCL 423.324, the State may void any Contract if, subsequent to award of the Contract, the name of the Contractor as an employer, or the name of the subcontractor, manufacturer or supplier of the Contractor appears in the register.

I-FF SURVIVOR

Any provisions of the Contract that impose continuing obligations on the parties including, but not limited to the Contractor's indemnity and other obligations shall survive the expiration or cancellation of this Contract for any reason.

I-GG GOVERNING LAW

This Contract shall in all respects be governed by, and construed in accordance with, the laws of the State of Michigan. Any dispute arising herein shall be resolved in the State of Michigan.

**I-HH CALENDAR YEAR SOFTWARE COMPLIANCE**

The Contractor warrants that Services provided under this Contract, including, but not limited to, the production of all Work Products, shall be provided in an accurate and timely manner without interruption, failure or error due to the inaccuracy of Contractor's business operations in processing date/time data (including, but not limited to, calculating, comparing, and sequencing) from, into, and between centuries, and the years affected, including leap year calculations. Notwithstanding anything to the contrary, Contractor shall not be liable or otherwise responsible for any failures or errors due to Products or Services provided by Contractor where the failure or error arises out of the interaction with products or services not provided by Contractor and Contractor does not represent or warrant that the Software provided hereunder shall be error free. The Contractor shall be responsible for damages resulting from any delays, errors or untimely performance resulting from the first sentence of this Section that is not otherwise excluded from the second sentence of this Section, subject to the Limitation of Liability set forth in Section I-I of this Contract.

I-II CONTRACT DISTRIBUTION

Acquisition Services shall retain the sole right of Contract distribution to all State agencies and local units of government unless other arrangements are authorized by Acquisition Services.

I-JJ STATEWIDE CONTRACTS

If this Contract is for the use of more than one agency and if the Products or Services provided under this Contract do not meet the form, function and utility required by an agency, that agency may, subject to state purchasing policies, procure the Products or Services from another source.

I-KK ADHERENCE TO MICROSOFT PROJECT MANAGEMENT METHODOLOGY STANDARD

The Contractor shall use Microsoft Project to manage State of Michigan Information Technology (IT) based projects.

I-LL ELECTRONIC FUNDS TRANSFER

Electronic transfer of funds is available to State contractors. Vendors are encouraged to register with the State of Michigan Office of Financial Management so the State can make payments related to this Contract electronically at www.cpexpress.state.mi.us.

**I-MM TRANSITION ASSISTANCE**

If this Contract is not renewed at the end of this term, or is canceled prior to its expiration, for any reason, the Contractor must provide for up to **180 days** after the expiration or cancellation of this Contract, all reasonable transition assistance requested by the State, to allow for the expired or canceled portion of the Services to continue without interruption or adverse effect, and to facilitate the orderly transfer of such services to the State or its designees. Such transition assistance will be deemed by the parties to be governed by the terms and conditions of this Contract, (notwithstanding this expiration or cancellation) except for those Contract terms or conditions that do not reasonably apply to such transition assistance. The State shall pay the Contractor for any resources utilized in performing such transition assistance at the most current rates provided by the Contract for Contract performance. If the State cancels this Contract for cause, then the State will be entitled to off set the cost of paying the Contractor for the additional resources the Contractor utilized in providing transition assistance with any damages the State may have otherwise accrued as a result of said cancellation subject to the Limitation of Liability set forth in Section I-I.

I-NN DISCLOSURE OF LITIGATION

1. The Contractor shall notify the State in its bid proposal, if it, or any of its subcontractors, or their officers, directors, or key personnel under this Contract, have ever been convicted of a felony, or any crime involving moral turpitude, including, but not limited to fraud, misappropriation or deception. Contractor shall promptly notify the State of any criminal litigation, investigations or proceeding which may have arisen or may arise involving the Contractor or any of the Contractor's subcontractors, or any of the foregoing entities' then current officers or directors during the term of this Contract and three years thereafter.
2. The Contractor shall notify the State in its bid proposal, and promptly thereafter as otherwise applicable, of any civil litigation, arbitration, proceeding, or judgments that may have arisen against it or its subcontractors during the five years proceeding its bid proposal, or which may occur during the term of this Contract or three years thereafter, which materially affect the viability or financial stability of the Contractor and involve (1) products or services similar to those provided to the State under this Contract and which either involve a claim in excess of \$250,000 or which otherwise may materially affect the viability or financial stability of the Contractor, or (2) a claim or written allegation of fraud by the Contractor or any subcontractor hereunder, arising out of their business activities, or (3) a claim or written allegation that the Contractor or any subcontractor hereunder violated any federal, state or local statute, regulation or ordinance. Multiple lawsuits and or judgments against the Contractor or subcontractor, in any an amount less than \$250,000 shall be disclosed to the State to the extent they affect the financial solvency and integrity of the Contractor or subcontractor.



3. All notices under subsection 1 and 2 herein shall be provided in writing to the State within fifteen business days after the Contractor learns about any such criminal or civil investigations and within fifteen days after the commencement of any proceeding, litigation, or arbitration, as otherwise applicable. Details of settlements which are prevented from disclosure by the terms of the settlement shall be annotated as such. Semi-annually, during the term of the Contract, and thereafter for three years, Contractor shall certify that it is in compliance with this Section. Contractor may rely on similar good faith certifications of its subcontractors, which certifications shall be available for inspection at the option of the State.
4. Assurances - In the event that such investigation, litigation, arbitration or other proceedings disclosed to the State pursuant to this Section, or of which the State otherwise becomes aware, during the term of this Contract, causes the State to be reasonably concerned about:
 - a) the ability of the Contractor or its subcontractor to continue to perform this Contract in accordance with its terms and conditions, or
 - b) whether the Contractor or its subcontractor in performing services is engaged in conduct which is similar in nature to conduct alleged in such investigation, litigation, arbitration or other proceedings, which conduct would constitute a breach of this Contract or violation of Michigan or Federal law, regulation or public policy, then the Contractor shall be required to provide the State all reasonable assurances requested by the State to demonstrate that: (a) the Contractor or its subcontractors hereunder will be able to continue to perform this Contract in accordance with its terms and conditions, (b) the Contractor or its subcontractors will not violate any applicable laws while providing services under this Contract which are similar in nature to the services which gave rise to any such litigation, arbitration or other proceedings.

The Contractor's failure to fully and timely comply with the terms of this section, including providing reasonable assurances satisfactory to the State, may constitute a material breach of this Contract.

I-00 TAXES

The State is exempt from Federal Excise Tax, State and Local Sales Taxes, and Use Tax with respect to the sale to and use by it of tangible personal property. Such taxes shall not be included in the Contract prices as long as the State maintains such exemptions. Excise Tax exemption certificates will be furnished with purchase orders if requested. Copies of all tax exemption certificates shall be supplied to Contractor.

I-PP TERM OF CONTRACT

This Contract shall have a base Contract period of two years, commencing on February 9, 2004, and continuing through February 8, 2006. In addition, the State shall have the right, at its sole discretion, to extend this Contract upon written notice to the Contractor for three additional one-year periods.



Notwithstanding the foregoing, if and to the extent that an Applicable Statement of Work contains pricing for Products and/or Services that covers a period of time that extends beyond the Term of this Contract and the State elects to order a Product or Service prior to the expiration of the Term of this Contract or if and to the extent an Applicable Statement of Work contains pricing for a Service that is based on a commitment that the State purchase multiple years of such Service and the State issues a purchase order for such multiple years of Service prior to the expiration of the Term, Contractor shall sell such Product or Service and the State shall be obligated to purchase and pay for such Product or Service, subject to the cancellation provisions of this Contract, even where delivery of such Product or Service extends beyond the Term of this Contract.

I-QQ TITLE AND RISK OF LOSS

Title and risk of loss to any of the Products that are Equipment and to any of the Work Products shall pass from Contractor to the State upon delivery to the State at its location described in the Applicable Statement of Work. Title to the Products that are Software (and not Work Products) shall remain with Contractor but risk of loss to such Products shall pass to the State upon delivery to the State at its location described in the Applicable Statement of Work.

I-RR LICENSING TERMS OF APPLICABLE LICENSED PRODUCTS

Contractor shall license to the State any and all Licensed Products described in an Applicable Statement of Work pursuant to the licensing terms described in such Applicable Statement of Work.



SECTION II

WORK STATEMENT

II-A APPLICABLE STATEMENT OF WORK

Contractor shall sell and license and the State shall purchase the Products and Services described in an Applicable Statement of Work attached to this Contract, where the first such document, the Media Server 8 Statement of Work, is attached as Exhibit A. The Applicable Statements of Work may include not only a description of the Products and/or Services but also terms and conditions unique to those Products and Services, including, without limitation, the following:

1. Installation;
2. Site Preparation; and
3. Delivery

II-B PRICE

The prices and rates for any and all Products and Services sold and/or licensed under this Contract shall be set forth in the Applicable Statement of Work attached to this Contract and shall remain firm for the Term of this Contract, unless otherwise specified in the Applicable Statement of Work.

II-C INVOICING AND PAYMENT TERMS

Contractor shall invoice the State in accordance with the invoicing milestones described in the Applicable Statement of Work for the corresponding Product or Service and the State shall pay Contractor the invoiced amount within thirty (30) days from the date of Contractor's invoice unless an earlier payment terms is set forth in the Applicable Statement of Work.

II-D PERFORMANCE AND RELIABILITY EVALUATION (PARE)

When the State requires a performance and reliability evaluation ("PARE") be performed, such requirement shall be set forth in the Applicable Statement of Work and the standard of performance for the PARE will be closely monitored during the acceptance period.

In the event that the PARE is for components only, all references to systems (processors) should be changed to components.

The PARE will consist of two phases.

A. PHASE I

The first phase shall be comprised of a specification compliance review of the equipment listed in the ordering documents. Such equipment shall be checked for total compliance with all required specifications of the RFP, if any. In the event that the State determines that any component or feature of the delivered equipment or software does not comply with the mandatory specifications of the RFP, if any, the State shall so notify the Contractor, allowing 14 calendar days for rectification by the Contractor. Should the Contractor be unable to rectify the deficiency, the State reserves the right to cancel the ordering document. Should the equipment and software pass the specification conformance review, the equipment shall enter Phase II of the PARE.

**B. PHASE II****(1) Determination of System Readiness**

- a. Prior to the PARE, a committee of three persons will be formed to evaluate the system's performance on a daily basis. The committee will consist of one Contractor representative and two State personnel.
- b. The PARE will begin on the installation dates when the Contractor certifies that the equipment is ready for use by the State.

(2) During the PARE:

All rerun times resulting from equipment failure and preventive maintenance shall be excluded from the performance hours.

- a. All reconfiguration and reload times shall be excluded from the performance hours.
- b. If files are destroyed as a result of a problem with Contractor equipment and must be rebuilt, the time required to rebuild the files will be considered "down time" for the system.
- c. If the Contractor requests access to failed equipment and the State refuses, then such maintenance will be deferred to a mutually agreeable time and the intervening time will not count against the PARE.
- d. A functional benchmark demonstration will be run for the PARE Committee to confirm that the installed system is capable of performing the same functions that were demonstrated. This run must be completed to the satisfaction of the PARE Committee.

C. Standard of Performance

1. The performance period (a period of thirty consecutive calendar days) shall commence on the installation date, at which time the operational control becomes the responsibility of the State. It is not required that one thirty day period expire in order for another performance period to begin.
2. If each component operates at an average level of effectiveness of 95 percent or more for a period of 30 consecutive calendar days from the commencement date of the performance period, it shall be deemed to have met the State's standard of performance period. The State shall notify the Contractor in writing of the successful completion of the performance period. The average effectiveness level is a percentage figure determined by dividing the total operational use time by the total operational use time plus associated downtime. In addition, the equipment shall operate in substantial conformance with the Contractor's published specifications applicable to such equipment on the date of this Contract. Equipment added by amendment to this Contract shall operate in accordance with the Contractor's published specifications applicable to such equipment at the time of such amendment.



3. During the successful performance period, all rerun time resulting from equipment failure and preventive maintenance time shall be excluded from the performance period hours. All reconfigurations and reload time shall be excluded from the performance hours. Equipment failure downtime shall be measured by those intervals during the performance period between the time that the Contractor is notified of equipment failure and the time that the equipment is returned to the State in operating condition.
4. During the successful performance period, a minimum of 80 hours of operational use time on each component will be required as a basis for computation of the average effectiveness level. However, in computing the effectiveness level, the actual number of operational use hours shall be used when in excess of the minimum stated above.
5. No more than one hour will accrue to the performance hours during any one-wall clock hour.
6. Equipment shall not be accepted by the State and no charges will be paid by the State until the standard of performance is met.
7. When a system involves on-line machines which are remote to the basic installation, the required effectiveness level shall apply separately to each component in the system.
8. Promptly upon successful completion of the performance period, the State shall notify the Contractor in writing of acceptance of the equipment and authorize the monthly payments to begin on the first day of the successful performance period.
9. If successful completion of the performance period is not attained within 90 days of the installation date, the State shall have the option of terminating the order for the product, or continuing the performance tests. The State's option to terminate the order for the product shall remain in effect until such time as a successful completion of the performance period is attained. The Contractor shall be liable for all outbound preparation and shipping costs for contracted items returned under this clause.
10. The PARE will be complete when the equipment has met the required effectiveness level for the prescribed time period.

II-E LIQUIDATED DAMAGES

Set forth below are liquidated damages for (1) failure by the Contractor to make timely delivery of certain deliverables (any such failure referred to below as a "Late Delivery") and (2) the removal or reassignment by the Contractor, without the State's prior written approval of the Project Manager referenced on an Applicable Statement of Work (any such removal or reassignment of personnel being referred to below as an "Unauthorized Removal").

In this case, it is agreed that it would be impractical and extremely difficult to fix the actual amount of damages sustained by the State as a result of any such Late Delivery or Unauthorized Removal. Therefore, the Contractor and the State agree that, in the event of any such Late Delivery or Unauthorized Removal, the liquidated damage amounts specified below are a reasonable approximation of the damages that will be suffered by the State as a result thereof.



Accordingly, in the event of any such Late Delivery or Unauthorized Removal at the written direction of the State, the Contractor agrees to pay the indicated amount to the State as liquidated damages, not as a penalty and as the State's sole and exclusive remedy and the Contractor's entire liability. In its discretion, the State may deduct any liquidated damages assessed by the State from any charges payable to the Contractor pursuant to this Contract. No delay by the State in assessing or collecting liquidated damages shall be construed as a waiver of such right.

For the purpose of determining when liquidated damages are due the State under this Section, the date on which the Contractor shall be considered to have delivered a deliverable to the State is the date on which the Contractor delivers the deliverable to the State in a form that is subsequently determined to meet the acceptance criteria for such deliverable.

1. Late Delivery of Products and Services

The delivery and/or installation dates of Equipment and Software and Consulting Services set forth by purchase order will be fixed so that the utilization of the Products and Services will be consistent with the timing schedules of the State. If any of the above mentioned Products or Services are not delivered and/or installed to the State within the mutually agreed upon times, and as may be subsequently specified by the Agency in the Purchase Order, the delay will interfere with the proper implementation of the State's programs utilizing the Products or Services pursuant to this Contract, to the loss and damage of the State.

- (a) If the Contractor does not install or deliver each of the Products or Consulting Services as mutually agreed upon, ready for use, on or before the agreed upon date, including those that may be specified in the Agency purchase order, and failed delivery delays the achievement of project plan milestones, the Contractor shall pay the State liquidated damages for each calendar day between the required date mutually agreed upon and the date of actual delivery and/or installation for such Products or Services (but not more than 180 calendar days) in lieu of all other damages due to such late delivery or late performance, in an amount calculated as follows, unless a different amount is referenced in the Applicable Statement of Work:

Late Installation/Delivery – Hardware/Software	\$4,000/day
Late Delivery of Consulting Services:	\$ 640/day

If the Contractor supplies substitute Products or Consulting Services acceptable to the State, liquidated damages will not apply, provided, however, liquidated damages will apply if such substitute equipment or software is provided later than the delivery or installation date mutually agreed upon.

- (b) If some, but not all of the Products or Consulting Services on an Agency purchase order are installed or delivered ready for use by the mutually agreed upon date, and the State makes or may reasonably make operational use of any such Product or Consulting Service, liquidated damages shall not accrue against that Product or Consulting Service. The liquidated damages payment will be prorated accordingly.



- (c) If the delay is more than thirty (30) calendar days, then by written notice to the Contractor, the State may terminate the right of the Contractor to deliver or install and may obtain substitute Products or Consulting Services. In this event, the Contractor shall be liable for liquidated damages in the amounts specified above until acceptable substitute Products or Consulting Services are delivered or installed, ready for use, or for 180 days from the installation date, whichever occurs first. The Contractor shall also be liable for outbound preparation and shipping costs for contracted items returned under this clause, and for any additional cost incurred by the State for Products and/or Consulting Services provided by an alternative source resulting from the delay.

2. Unauthorized Removal

Without the State's prior written approval, the Contractor will not remove or reassign the Project Manager identified on the Applicable Statement of Work without a thirty (30) day notification, unless such removal or reassignment is due to the resignation, illness or other events beyond Contractor's reasonable control. The Contractor will pay the State, as liquidated damages, double the agreed upon hourly rate for the Project Manager for the hours specified on the purchase order or otherwise agreed to in the project plan for each occurrence of any such Unauthorized Removal. If no hourly rate is agreed upon, then Contractor's then current hourly rate shall be used. Such amount shall be in addition to any liquidated damages set forth above for Late Deliverables and shall be payable regardless of whether the Contractor meets or fails to meet deliverable schedules. The foregoing amounts, however, shall constitute the State's sole and exclusive remedy and Contractor's entire liability in connection with any Unauthorized Removal.

II-F PURCHASE ORDERS

Orders for delivery of commodities and/or services may be issued directly by the State Departments through the issuance of a Purchase Order Form referencing this Contract (Blanket Purchase Order) agreement and the terms and conditions contained herein. Contractor is asked to reference the Purchase Order Number on all invoices for payment.



EXHIBIT A:

A STATEMENT OF WORK

FOR

STATE OF MICHIGAN

DEPARTMENT OF INFORMATION

TECHNOLOGY

MEDIA SERVER 8 PROPOSAL



MEDIA SERVER 8 PROPOSAL – UPDATES SINCE MAY 9, 2003

This updated proposal has the following changes.

- Consolidated and clarified proposal
- Changed contract reference

REVISED: October 23, 2003

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Bull Services acknowledges the rights of owners of the trademarks cited herein.

Section

1

Executive Summary

The proposed Media Server 8 will help provide the State of Michigan with a more flexible architecture, along with faster and simpler operations – all at a lower Total Cost of Ownership

Overview:

The Bull Media Server 8 is a 'virtual' tape management system, offering heterogeneous host systems through an up-to-date secondary storage solution on automated devices.

Hosts connected to Media Server carry out normal peripheral operations (such as volume mounting/dismounting, media insertion/ejection, file import/export, etc.) on virtual devices without having to know what type of physical device is being used, nor where the device is situated.

Media Server can therefore be regarded as a multi-host sub-system that centralizes physical device management. This frees connected hosts from the physical considerations of each medium.

The major advantages of Media Server are:

- It allows the sharing of libraries among heterogeneous hosts.
- The virtualization feature allows efficient use of all devices (tape drives) that can be accessed by any host, without having to be physically connected to them.
- It enables easy host-transparent migration between storage technologies.
- It considerably reduces the number of media required for mainframe operation due to the stacking feature that allows most, or all, of the cartridge to be used.
- It significantly improves performance and functionality with regard to classical sub-systems. These functions are brought uniformly to all hosts and can reduce considerable CPU cycles on these hosts.

Technology

Media Server V3 supports STK9840B 20GB (80 GB with compression) and data transfer of 20 MB/s. The drives are connected with a fibre channel attachment, on the Media

Server platform. Since a cartridge contains a significant quantity of information, L700e libraries are used to control a very large capacity at a very attractive price.

Architecture

Media Server 8 is not a classical tape subsystem. The server's functionality is developed on an ESCALA platform connected through fibre channels to the DPS 9000 that provides:

- **Virtual Drives:** A Media Server virtual device is defined as a device belonging to the half inch tape cartridge subsystem (18-track or 36-track), on which GCOS 8 can request volume mounting or dismounting. The virtual devices are then mapped on to a physical device (STK 9840B).

The Media Server virtual devices are emulated devices aimed at receiving tape device commands. This results in GCOS 8 applications needing no modifications.

- **Stacking:** The stacking function is the capability to store several GCOS 8 logical volumes on a same STK9840B cartridge in order to totally fill the physical cartridge (20 GB uncompressed).
- **Staging:** The transfer between the GCOS 8 platform and the tape may be done asynchronously. In this case logical volumes are staged on a secured disk subsystem before the actual transfer to the tape devices. In this phase, the system is independent of the rate of the tape drive, and the Media Server can manage the stacking due to the staging capability.
- **Import/Export:** For interchange needs, Media Server may connect an 8mm VDAT drive, or a 3480/3490 read/write capability drive, with the 10-cartridge autoloader. This will allow the system to provide different cartridge formats with the standard IMPORT/EXPORT procedure.
- An option that can be used by the State of Michigan is to connect Timberline 36 track tape drives in a library or standalone configuration through a crossroads (fibre to SCSI) switch. The State owns SCSI Timberline drives, and may already have a crossroads switch.
- Bull Services is not proposing import/export hardware with this proposal.
- **Large Storage:** Depending on the capacity that the State of Michigan wants to keep in the library, Media Server is connected to a L700e, which supports from 216 to 678 cartridges). Expansion to the L700e allows up to 1344 cartridges.

With V3, two libraries can be connected to Media Server. For example, one local and one remote library, allowing the benefit of double copy.

Cost Effective

The Media server is significantly cost effective.

- **Cost saving automation:** There is a reduction in the number of transports, due to the caching of the drives shared by the systems connected to Media Server. There is also a reduction in the number of cartridges, due to the capacity of STK9840B cartridge versus the current 18/36 track cartridges.
- **Significant cost savings:** There is a low cost of ownership of L700e library and the ability to share the Media Server Fibre Channels between multiple GCOS8 systems.

Simplified Access to Saved Files

TMS8 has no specific configuration for MS8. TMS8 manages MS8 Logical Volumes as Physical Volumes. The save plan of the customer does not need to be changed.

The tape Virtualization, provided by MS8, allows configuring a larger number of Virtual readers than the number of Physical readers in the configuration, which diminish the contention for tape readers between applications. Within limits, there is minimal degradation of performances of saves executed in parallel.

Low Cost of Operations

All MS8 V3 operations are automated. The Administration of MS8 V3 requires some Administrator attention daily. The large capacity of a single cartridge limits the manual activity related to cartridge ejects to a minimum. Compared to the devices used by the State today, the proposed 9840B devices will each hold from 50 to 100 times the amount of data.

High Speed Solutions for Save and File Copy to Tape

Disk-to-tape save performances are best with a disk FC connection and a tape FC connection. MS8 V3 is FC connected to GCOS8 and thus provides extremely fast saves.

Integration in the Bull System Architecture

Media Server complements the current mainframe class DPS9000/TA architecture providing storage capacity at an attractive TCO (Total Cost of Ownership) price.

Media Server virtual connections are configured in GCOS 8 as a set of stand-alone devices to allow the simultaneous connection of Media Server and a STK channel-connected library on the same GCOS 8 copy. This will facilitate an easy migration.

Media Server V3 is integrated with TMS8 (Tape Management System). A TMS8 option allows scratch volumes and volume ejects to be managed by TMS8. This option is the only known modification required in GCOS 8 to consider MS8 as library-like rather than as standalone drives. Eject reports are sent to GCOS 8 systems.

MS8 V3 sends Alarm and Warning messages to the GCOS 8 console, which can be processed by GCOS 8-console automation. The "lights out" room operations defined for GCOS 8 can be extended easily to MS8 operations.

Section

2

Technical Discussion
MS8 Typical Configurations
Single MS8 Configuration

Single GCOS 8 Configuration

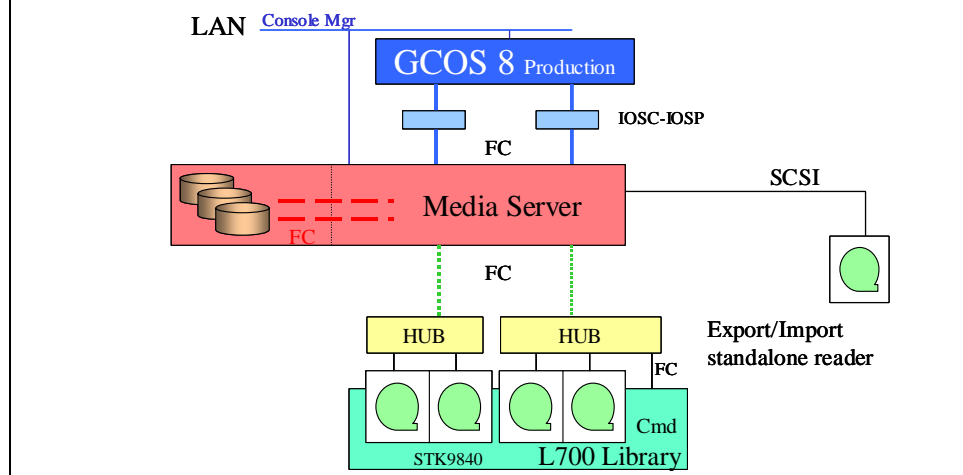


Figure 0-1: Single GCOS 8 Configuration

MS8 CONFIGURATION IS AS REDUNDANT AS POSSIBLE:

Two fibre connections to GCOS 8 should be connected to two different IOSC/IOSPs.

Two fibre connections to the Library can be used:

- To address the connectivity to four STK 9840 readers and for the Library command path,
- To split the data flow on two paths
- To limit the risk to lose all accesses to the Library

Two fibre connections are used for the internal connection to the FDA2100 disks.

DATA EXCHANGE

18/36 track tapes are available for Data Exchange. This peripheral is connectable in SCSI.

It can be connected to the EPC450 if one free slot is available. Otherwise, it must be connected to a HUB or Switch.

MS8 DISK CACHE

The MS8 Disk Cache size should be equal to one-day's tape volume. The disk capacity available with the rack mounted FDA2100 proposed is 540GB. The State of Michigan average tape volumes created equals approximately 1000 tapes per day. The current tape densities range from 400MB to 800MB.

Multiple MS8 Configuration

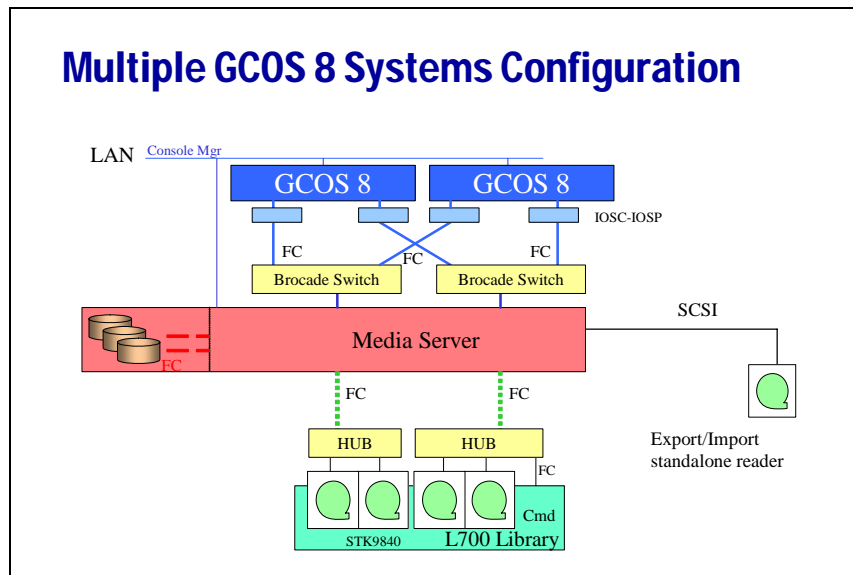


Figure 0-2: Multiple GCOS 8 Systems Configuration

For the connection of more than one GCOS 8 system two switches are needed:

- To address the Fibre connectivity
- To maintain a redundant configuration

MS8 Remote Vaulting Configuration

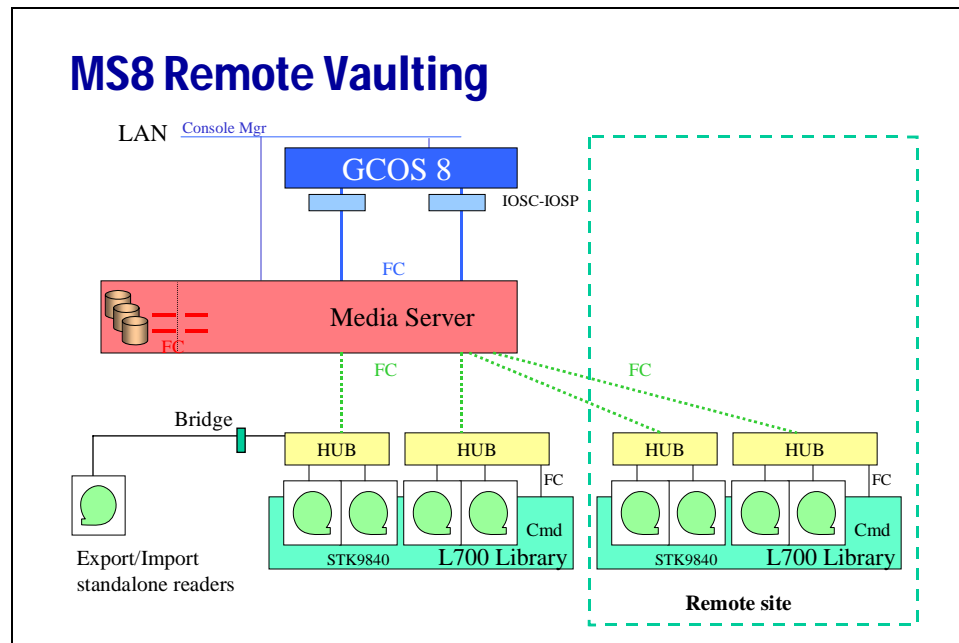


Figure 0-3: MS8 Remote Vaulting

REMOTE LIBRARY CONNECTION

To connect a second Library, the two free slots on the BUS must be used for two Fibre connections.

In this type of configuration, the Data Exchange peripheral, the 18/36 Track device, must be connected to a HUB or Switch through a Crossroad bridge.

MEDIA SERVER FEATURES

Configuration Details and Limits

Media Server supports a maximum of 2 connected Fibre Channel interfaces and 128 virtual devices per platform. Among these virtual devices, only 32 can be active simultaneously.

One host has access to a maximum of 62 virtual devices, or 31 virtual devices per fibre wire. On the other hand, a maximum of 8 hosts can be connected to the same Media Server. One host, however, cannot be connected to more than one Media Server platform.

The telecommunication link between Media Server and the host is provided using a TCP/IP stack on an Ethernet network. If redundancy is required, a second access point can be declared on the same host. This backup connection will be used if the main connection fails and must be of the same type (TCP/IP) as the first access point.

Principal Functions

Media Server offers administrators and operators the following facilities:

- Attachment:
 - Fibre Channel to the host
 - Fibre Channel to the local periphery (disk subsystem, cartridge library)
- Administration functions:
 - Session start/end commands
 - Configuration display windows
 - Statistics display windows
 - Configuration/De-configuration options
 - Graphical interface
 - Disaster recovery
- Volume management:
 - Logical volume creation/removal
 - Logical volume mount/dismount
 - Host system: managed by an automatic process.
 - Media Server: activated by an operator.
 - Import/export (Interchange), including format conversion.
- Container groups:
 - Image duplication of Logical volume at Media Server level
 - Each image may be located in two different cartridge libraries (remote vaulting possibility)
- GCOS8 inter-communication:
 - Message exchange over TCP/IP network
- TMS8 inter-communication:
 - Automatic Logical volume ejection and scratching according to TMS8 criteria

Proposed State of Michigan Configuration

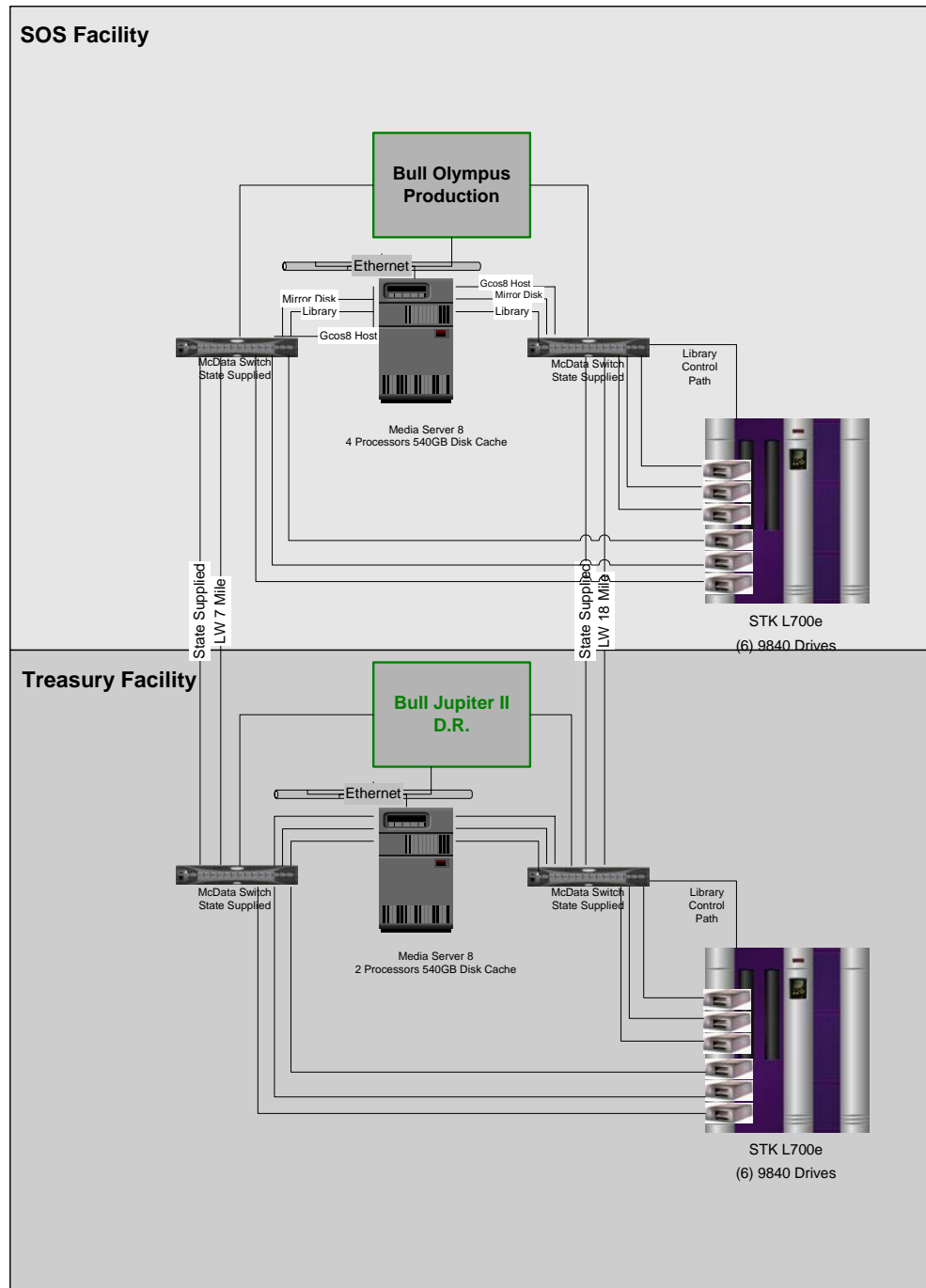


Figure 0-4: Proposed State of Michigan Configuration

The proposed State of Michigan configuration consists of (2) two Media Server 8 systems. One MS8 system located at the production site, and the second MS8 system located at the Disaster Recovery site.

Each Site will have an STK L700e library with (6) six 9840B tape devices. All channel connections will be through Fibre Channel.

The configuration does not include the fibre switches (to be provided by the State). The fibre switches are required to interconnect the components and the remote site.

The Media Server at the Disaster Recovery site will contain disk devices that will be a mirror of the production site Media Server. Bull Services will develop a special command to allow the second Media Server at the Disaster Recovery site to be started in the event there is a disaster to the production site.

Section

3

Services

Draft High-Level Implementation Plan

The draft implementation plan, below, includes possible milestones to complete the migration to Media Server. The plan shows the installation of new equipment and a phased disconnection of old equipment. The plan suggests a complete migration in about 6 months. The actual plan will be developed and agreed to by Bull Services and the Department of Computer Operations of the State of Michigan.

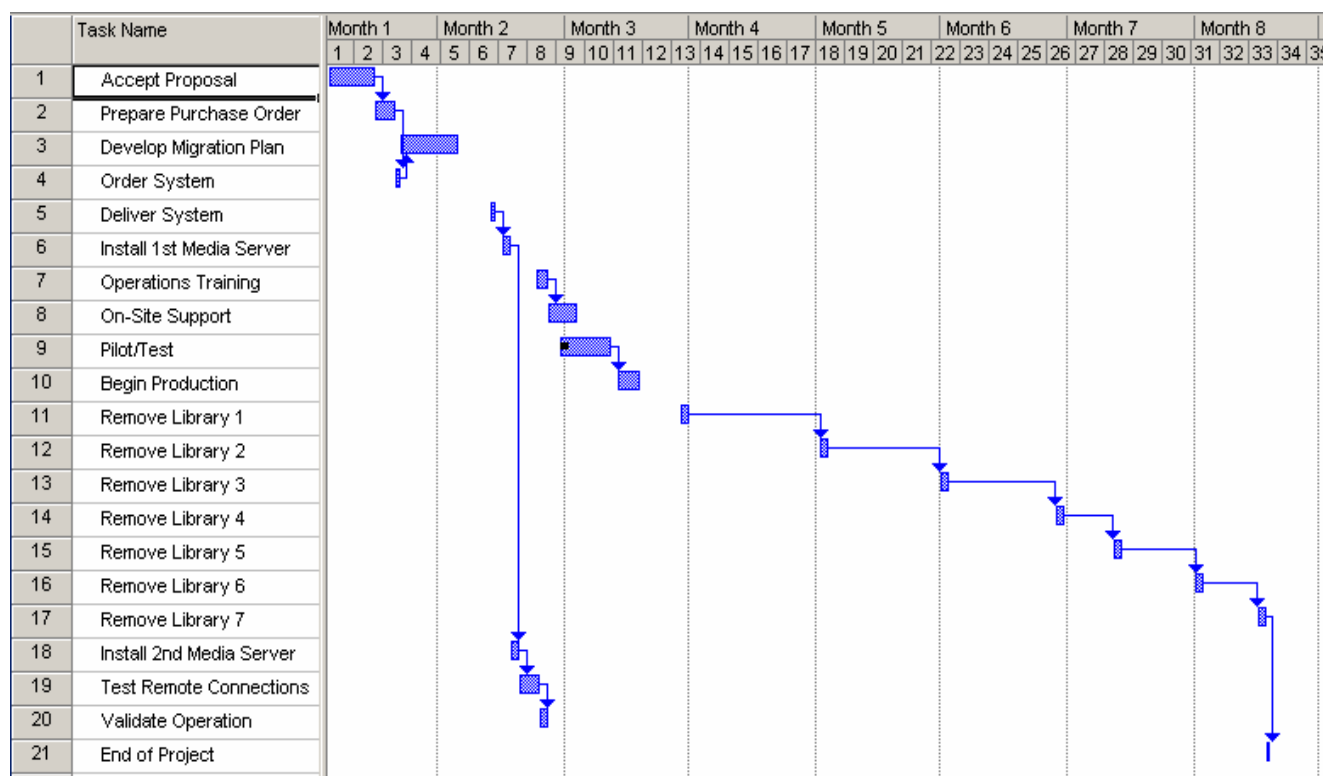


Figure 0-1: Draft Implementation Schedule

A planning team that has the responsibility for the pre-installation planning and media migration task should be put into place. Bull Services can offer optional services and support as required.

A project plan will need to be developed. The project plan will identify the tasks, responsibilities, dependencies, and milestones required for the installation and deployment of the new hardware and software identified in this proposal.

Included Installation & Training Services

Scope

Bull Services will provide a Software Specialist, experienced in the installation and operation of the Media Server 8 (MS8) to assist the State of Michigan personnel in the installation and configuration of this product. The Software Specialist will provide operational training in the use of the Media Server 8.

Tasks

The deliverables of this service to be performed at each site are as follows:

INSTALLATION SERVICE:

- 1) Confirm all required external cables are properly installed.
- (1) Install and configure all MS8 required software products.
- (2) Assist in the reorganization of the TMS8 database to include MS8 volumes and datasets.
- (3) Assist the State of Michigan in the preparation of a new GCOS 8 configuration to include the MS8 subsystem using GCOS 8 Configuration Manager.
- (4) Assist with the booting of the new GCOS 8 configuration. This will require a system interruption.
- (5) Recommend configuration changes to the network components that require MS8 visibility.
- (6) Work with State of Michigan personnel to identify any requirement to modify the JCL of applications using the MS8 subsystem.

TRAINING SERVICE:

- 2) Provide an overview of the MS8 subsystem to GCOS 8 operations and administration personnel.
- (7) Provide on-the-job-training to operations personnel. This will cover the GCOS 8 console verbs related to the MS8.
- (8) Provide on-the-job-training to GCOS 8 administrators. This will cover configuration and administration.

Bull Services Software Specialist's Responsibilities

Bull Services will provide a qualified MS 8 Software Specialist on-site at the State of Michigan facility for the MS8 software installation, configuration and training activities.

The Bull Services Software Specialist will:

- 3) Install, configure and verify the MS8 software.
- (9) Assist in the installation of all required patches available at time of installation.
- (10) Assist with changes necessary for startup.
- (11) Provide information relating to MS8 for defining site boot tape create procedures.
- (12) Advise the State of Michigan in the best use of the MS8 subsystem and associated configuration parameters relating to optimum MS8 performance and availability.
- (13) Advise the State of Michigan on the modification and re-organization of their TMS8 database.
- (14) Be available for the first few days (up to three) of actual use of the MS8 subsystem and, if appropriate, make recommendations for improvement.
- (15) Provide training to State of Michigan's GCOS 8 operation and administrative staff. This training to include an overview of the MS8 subsystem and on-the-job training for the above personnel.

State of Michigan Responsibilities

The State of Michigan will be responsible for:

- 4) Assigning knowledgeable individual(s) to participate in the MS8 installation and training project. This will consist of primarily providing the required information, assisting with the operation, installation, conducting the verification tests, and putting the system into production at both sites. The individual(s) assigned shall have experience with UNIX based systems, preferably with AIX UNIX software.
- (16) Gathering and providing Bull Services with all requested files, programs, documentation, and any other materials required for successful completion of this project.
- (17) Creation of back up (SAVE) copies of software, applications and database files as required.
- (18) Providing a work area at the State of Michigan's facility for the Bull Services Software Specialist and providing access to the appropriate State of Michigan personnel for the duration of this service.
- (19) Providing adequate system time and resources on the State of Michigan GCOS 8 system for this service.
- (20) Providing remote access to the GCOS 8 system would also be highly desirable.
- (21) Final verification of the State of Michigan's applications and decision to move to production on the MS8 subsystem.

Section

4

Pricing, Projected Costs, and Estimated Savings
Pricing Summary

Figure 0-1: Pricing Summary

Production Site			
HARDWARE	Price \$676,375	Monthly Maintenance \$3,159	Premium 7x24 \$696
SYSTEM SOFTWARE	Price \$141,762	Monthly Support \$6,118	
Disaster Recovery Site			
HARDWARE	Price \$605,375	Monthly Maintenance \$2,854	Premium 7x24 \$598
SYSTEM SOFTWARE	Price \$111,762	Monthly \$1,156	
OTHER			
TRAINING & IMPLEMENTATION	Price \$20,625		
DISCOUNT	(\$153,528)		
Grand Total	Price	Monthly	Premium
	\$1,402,371	\$13,287 **	\$1,293 **

** The above maintenance and support pricing ignores all warranty periods applicable to the products, where the warranty periods are described in Section 4.3 below. The total maintenance and support pricing for the first year, after taking into consideration applicable warranty periods, is \$118,835.

Estimated Savings

The following are estimated savings, based on reasonable assumptions, described on the next page. The actual savings may be more or less than estimated.

Figure 0-2: Projected Costs and Estimated Savings Table (3 yr cost of ownership)

1	Cost for Current Tape Subsystems		Maintenance & Support **			
2	Estimated Future Costs.	Purchase	Year 1	Year 2	Year 3	Total
3	Replacement Silo Server	48,576.00	Warr.	22,804.00	22,804.00	94,184.00
4	HM0502		758,829.48	758,829.48	758,829.48	2,276,488.44
5	HG0700		89,228.04	89,228.04	89,228.04	267,684.12
6	Depreciation Current Equip.		246,000.00			246,000.00
7	Total Projected	48,576.00	1,094,057.52	870,861.52	870,861.52	\$ 2,884,356.56
10	MEDIA SERVER Estimated Costs	Purchase	Year 1	Year 2	Year 3	Total
11	Production System					
12	Hardware	676,375.00	23,300.40	46,259.40	46,259.40	792,194.20
12	Software	141,762.00	73,416.00	73,416.00	73,416.00	362,010.00
14	Subtotal	818,137.00	96,716.40	119,675.40	119,675.40	1,154,204.20
15	Disaster Recovery System					
16	Hardware	605,375.00	22,119.00	41,418.00	41,418.00	710,330.00
17	Software	111,762.00	0.00	0.00	0.00	111,762.00
18	Subtotal	717,137.00	22,119.00	41,418.00	41,418.00	822,092.00
20	Other Costs					
21	Training & Implementation (TAC00204A)	20,625.00				20,625.00
22	Remaining Depreciation Current Equip.*		246,000.00			246,000.00
23	6 Months Maintenance During migration		207,687.56			207,687.56
24	Subtotal	20,625.00	453,687.56	0.00	0.00	474,312.56
25	Bull Services Discount	153,528.00				153,528.00
26	Total New Media Servers	1,402,371.00	572,522.96	161,093.40	161,093.40	\$ 2,297,080.76
27	Environment Saving		Year 1	Year 2	Year 3	Total
28	Floor Space /Electrical 1,400 Sq. Ft @ \$18 per Mo.		302,400.00	302,400.00	302,400.00	\$ 907,200.00
30	Summary	Purchase	Year 1	Year 2	Year 3	Total
31	Cost/(Savings)	(48,576.00)	(823,934.56)	(1,012,168.12)	(1,012,168.12)	(2,896,846.80)
32	3 Year Equipment Amortization at 3.5%	1,402,371.00	493,108.64	493,108.64	493,108.64	1,479,325.93
33	Total Cost (Savings)	1,353,795.00	(330,825.92)	(519,059.48)	(519,059.48)	\$ (1,417,520.88)

* Assumes Year 1 begins October 1, 2003 (Fiscal 2004)

The basis for these projected costs and savings are (numbers are row numbers):

5) **Cost for the current tape subsystems.** This section shows cost assuming the State continues with the current installed tape technology for the next 3.5 years.

(22)**Estimated Future Costs.** The estimated costs are based on the State's fiscal year and current charges for maintenance on hardware and software to support the current tape environment. The numbers include premium maintenance on hardware.

- (23) If the State decides to stay in the current environment, the State will be required to purchase new Library servers. The numbers represent the latest quote for replacement. The current ACSLS software installed on the Library Servers is unsupported.
- (24) This row reflects the Production System maintenance and software support charges related to the currently installed equipment that would be replaced by the proposed Media Server. There is no price increase added to these figures. For planning purposes a 5% per year adder should be considered. The older equipment is becoming more difficult to maintain and maintenance costs are increasing each year.
- (25) This row reflects the Disaster Recovery System maintenance and software support charges related to the currently installed equipment that would be replaced by the proposed Media Server. There is no price increase added to these figures.
- (26) This is the depreciation remaining for some equipment that will be removed with this proposal. These numbers have been provided by DCO.
- (27) The **Total Projected** cost by fiscal year if this proposal is not implemented and the State elects to continue with the existing equipment and software.
- 10) The **MEDIA SERVER Estimated Costs** include the purchase price and estimated maintenance and support costs for the proposed replacement Media Server. The numbers include premium maintenance on hardware.
- (28) The **Production System** proposed hardware and software for Media Server.
- (29) Hardware purchase price, plus projected maintenance cost, for the fiscal years shown. Potential maintenance and support price increases are not projected.
- (30) Software purchase price, plus projected support cost, for the fiscal years shown. Potential support cost increases, are not projected.
- (31) **Subtotal** for the Production system Media Server.
- (32) The **Disaster Recovery System** proposed hardware and software for Media Server.
- (33) Hardware purchase price, plus projected maintenance cost, for the fiscal years shown. Potential maintenance and support price increases are not projected.
- (34) Software purchase price. The Disaster Recovery system is used by the State in a standby mode and is not used except for Disaster Recovery testing allowed once per quarter. Bull Services currently does not charge for software support on this system based on its restricted usage. Due to the State's current usage, this cost analysis assumes software charges will not be included.

- (35)**Subtotal** for the Disaster Recovery system Media Server.
- 20) Other Cost.
- (36)Training and Implementation. See services description included in this proposal. Additional support can be provided at an additional charge. Travel and Living costs are not included.
- (37)This is the depreciation remaining for some equipment that will be removed with this proposal. These numbers have been provided by DCO. These costs will be incurred in either scenario shown in this cost analysis. See #6 above.
- (38)This is a projection of maintenance to be paid for equipment remaining through the migration period. This period is planned to be about 6 months, but could be less, depending on the final plan and schedule decided by DCO.
- (39)**Subtotal** of Other Costs.
- (40)Discount provided by Bull Services.
- (41)**Total New Media Servers** includes total purchase price for hardware, software and services provided in this proposal by Bull Services.
- (42)Environmental Savings.
- (43)Floor Space/Electrical - The calculation for environmental savings was done by multiplying the monthly square foot cost of \$18 (DCO cost provided to Bull Services), by the amount of space to be returned to the State (1,400 sq. ft.).
- 30) Summary. This summary is a comparison of the two alternatives: accept this proposal and migrate to the new Media Server product and related technology, or, stay with the current tape environment.
- (44)Cost/(Savings) The first column shows the saving of a new Library server if DCO moves forward with this proposal. The significant savings for each fiscal year in cost is then totaled. The estimated savings include the environmental savings.
- (45)3 Year Equipment Amortization - This row takes the purchase cost for the new Media Server proposed and amortizes the cost over three years. The calculation is done at 0% interest.
- (46)The **Total Cost/(Savings)** are calculated by adding the previous two rows.

**System Price Detail
Production System**

Figure 0-3: Production System Price

HARDWARE

QTY	MI	Description	Price	Warr.	Monthly Maintenance	Premium 7x24
1	CABC102-0000	DPS9000 SATELLITE CABINET	6,829	1 Yr.	-	
1	CTKC052-QU00	L180-700 PCI FIBER INTERFACE U	4,100	90 days	17	4.93
80	CTKC100-Q000	5 9840/MEDIA WITH INITIAL CMDE	40,000		N/A	
1	CTLC051-Q070	L700-700 LIBRARY WITH 678 CART. CELLS	92,600	90 days	524	78.60
6	CTUC008-Q040	STK 9840B FIBER DRV - L180/L70	228,000	90 days	1,080	162.00
1	CKTF033-S000	LIBRARY ADMINISTRATION KIT FOR	3,286	90 days	40	16.00
1	DCUG002-11FE	V34 US MODEM	159	1 Yr.	N/A	
1	MSKC100-0P00	FDA2100 DISK ENCLOSURE KIT	8,250	1 Yr.	45	13.05
1	MSKC102-0P00	FDA2100 256MB DUAL CACHE	3,410	1 Yr.	18	5.22
2	MSKC104-0P00	FDA2100 DUMMY DISK MODULE	520		N/A	
3	MSUC101-0PS4	FDA2136-S4 DISK UNIT (144GB)	31,950	1 Yr.	165	47.85
1	NSKC004-0000	GRAPHICAL CONSOLE FOR GNSP/E-B	710	1 Yr.	7	2.03
1	PMC0020-0245	NOEMIE-COMM VALIDATION	-		N/A	
1	PSKG004-0001	US POWER SUPPLY	-	1 Yr.	N/A	
2	FOCF001-M005	OPTICAL FIBER MM 5M CABLE SC-SC	370		N/A	
11	FOCF003-M015	OPT FIBER MULTI-MODE (SW) 15M SC-LC	2,640		N/A	
4	FOCF003-M015	OPT FIBER MULTI-MODE (SW) 15M SC-LC	960		N/A	
2	FOCF005-M050	OPTICL FIBER MM (SW) LC-LC CBL	960		N/A	
1	CTSC102-R000	MS8 STANDARD SYSTEM	Inc.	1 Yr.	441	127.89
1	CTSC102-RU40	MS8 STANDARD SYS EXT	Inc.	1 Yr.	180	52.20
1	MSPC102-0P36	MS8 - FDA2100 BASIC CONFIG	Inc.	1 Yr.	336	97.44
2	MSFC036-0000	FIBER CHANEL ENABLER-ONE IOSP	Inc.	1 Yr.	250	72.50
2	MXFC015-M100	1ST PCI-FIBER I/O CHANL/IOSP	Inc.	1 Yr.	56	16.24
		Reference Price	251,631			
HARDWARE TOTALS			676,375		3,159	\$ 695.95

SYSTEM SOFTWARE

QTY	MI	Description	Price	Monthly Support
1	MSFC042-R000	AIX SW AND DOCUMENTATION	4,262	81
1	UTSC054-RABA	MS8 - V3 KERNEL LICENSE	77,772	778
1	UTSC056-RDBA	MS8 - V3 L700 LIBRARY SUPPORT	29,728	297
1	NS03-02SFR24	MS8-V3 Disaster Recovery functionality (Add-on to UTSC054-RABA)	30,000	375
QTY	MI	Description	Price	Monthly License * Support
1	UTSC120-0000	TMS8-V FOR MS8		4,462
2	MSFC035-0U00	IOSP SW UPGRADE FOR FIBER	N/C	-
1	WEBC104-000B	GTEA FOR 4 TO 10 PLATFORMS		125
SYSTEM SOFTWARE TOTALS			141,762	6,118

Disaster Recovery System

Figure 0-4: Disaster Recovery System Price

HARDWARE

QTY	MI	Description	Price	Warr.	Monthly Maintenance
1	CABC102-0000	DPS9000 SATELLITE CABINET	6,829	1 Yr.	-
1	CTKC052-QU00	L180-700 PCI FIBER INTERFACE U	4,100	90 days	17
80	CTKC100-Q000	5 9840/MEDIA WITH INITIAL CMDE	40,000		N/A
1	CTLC051-Q070	L700-700 LIBRARY WITH 678 CARTRIDGE CI	92,600	90 days	524
6	CTUC008-Q040	STK 9840B FIBER DRV - L180/L70	228,000	90 days	1,080
1	CKTF033-S000	LIBRARY ADMINISTRATION KIT FOR	3,286	90 days	40
1	DCUG002-11FE	V34 US MODEM	159	1 Yr.	N/A
1	MSKC100-0P00	FDA2100 DISK ENCLOSURE KIT	8,250	1 Yr.	45
1	MSKC102-0P00	FDA2100 256MB DUAL CACHE	3,410	1 Yr.	18
2	MSKC104-0P00	FDA2100 DUMMY DISK MODULE	520		N/A
3	MSUC101-0PS4	FDA2136-S4 DISK UNIT (144GB)	31,950	1 Yr.	165
1	NSKC004-0000	GRAPHICAL CONSOLE FOR GNSP/E-B	710	1 Yr.	7
1	PMC0020-0245	NOEMIE-COMM VALIDATION	-		N/A
1	PSKG004-0001	US POWER SUPPLY	-	1 Yr.	N/A
2	FOCF001-M005	OPTICAL FIBER MM 5M CABLE SC-SC	370		N/A
11	FOCF003-M015	OPT FIBER MULTI-MODE (SW) 15M SC-LC	2,640		N/A
4	FOCF003-M015	OPT FIBER MULTI-MODE (SW) 15M SC-LC	960		N/A
2	FOCF005-M050	OPTICL FIBER MM (SW) LC-LC CBL	960		N/A
1	CTSC102-R000	MS8 STANDARD SYSTEM	Inc.	1 Yr.	441
1	MSPC102-0P36	MS8 - FDA2100 BASIC CONFIG	Inc.	1 Yr.	336
1	MSFC036-0000	FIBER CHANEL ENABLER-ONE IOSP	Inc.	1 Yr.	125
1	MXFC015-M100	1ST PCI-FIBER I/O CHANL/IOSP	Inc.	1 Yr.	28
1	MXFC015-M200	2nd PCI-FIBER I/O CHANL/IOSP	Inc.	1 Yr.	28
1	PMC0020-0222	NOEMIE-COMM VALIDATION	Inc.	1 Yr.	N/A
		Reference Price	180,631		
HARDWARE TOTALS			605,375		2,854

SYSTEM SOFTWARE

QTY	MI	Description	Price	Monthly Support
1	MSFC042-R000	AIX SW AND DOCUMENTATION	4,262	81
1	UTSC054-RABA	MS8 - V3 KERNEL LICENSE	77,772	778
1	UTSC056-RDBA	MS8 - V3 L700 LIBRARY SUPPORT	29,728	297
QTY	MI	Description	Price	Monthly License * Support
1	UTSC120-0000	TMS8-V FOR MS8		Note1
2	MSFC035-0U00	IOSP SW UPGRADE FOR FIBER	N/C	-
1	WEBC104-000B	GTEA FOR 4 TO 10 PLATFORMS		Note1

Note1 Currently no charge for this system, if maintained in standby for Disaster Recovery mode only.

SYSTEM SOFTWARE TOTALS **\$111,762.00** **\$1,156.00**

Maintenance for Old Equipment During Migration

Figure 0-5: Estimated Maintenance Cost for Old Equipment over 6 Month Migration

Total Cost for 7 Libraries for 6 Months	\$	424,029
Cost per Library for 6 months	\$	60,576
Avg Library Monthly Cost	\$	8,654

Libraries Removed	Month Removed	Maintenance Removed	Maintenance Remaining
0	Month1		60,576
1	Month2	8,653.65	51,922
1	Month3	8,653.65	43,268
1	Month4	8,653.65	34,615
2	Month5	17,307.30	17,307
2	Month6	17,307.30	-

Total Average Maintenance \$ 207,688

Equipment to be Replaced

Eliminated HG0700 Tape Maintenance

Figure 0-6: HG0700 Tape Related Maintenance

QTY	MI	Description	Monthly	Year 2003 Mth. Total	Annual	Total 2003 Maintenance
Library Server						
1	CTLC024-Q000	ESCALA S120 CTL UNIX Server	93.67	1,124.04		1,124.04
1	PSKG004-0001	US POWER SUPPLY	0.00			0.00
1	CTLC019UQ000	WANG OPT SW SUP - CTLC019-000	54.00	648.00		648.00
1	UTSC024-QJ00	UNIX SERV SW 5000 to 9999			2,940.00	2,940.00
						4,712.04
Tape						
4	MTU8208	MAGNETIC TAPE UNIT: 200IPS, 1	2,856.00	34,272.00		34,272.00
1	NSQ1998-065A	USED CTS6510	651.00	7,812.00		7,812.00
1	NSQ1998-065B	USED CTK6024	62.00	744.00		744.00
4	NSQ1998-065C	USED CTKC013-Q200	64.00	768.00		768.00
4	NSQ1998-065E	USED CTU6002	1,616.00	19,392.00		19,392.00
8	NSQ1998-065F	USED CTF6014	344.00	4,128.00		4,128.00
1	NSQ1998-065G	USED CTF6021	25.00	300.00		300.00
1	NSQ1999-030A	USED MTS8228	1,073.00	12,876.00		12,876.00
1	NSQ1999-030B	USED MTF8200	0.00	0.00		0.00
11	MXFC001-G100	FIPS-60 I/O CHANL ATTACH FEAT	352.00	4,224.00		4,224.00
		Subtotal	7,043.00	84,516.00	0.00	84,516.00
		Total HG0700				89,228.04

Eliminated HM0502 Tape Maintenance

Figure 0-7: HM0502 Tape Related Maintenance

QTY	MI	Description	Monthly	Year 2003 Mth. Total	Monthly Premium	Year 2003 Prem. Tot.	Total 2003 Maintenance
6	CTCC001-Q200	CTS CART CTRL UNIT M20 V2	3,906.00	46,872.00	585.90	7,030.80	53,902.80
12	CTCC003-Q400	TIMBERLINE S/SYS WITH M34	12,876.00	154,512.00	1,931.40	23,176.80	177,688.80
7	CTF6004	Cross Coupler Feature (#3211)	0.00	0.00	0.00	0.00	0.00
1	CTF6005	Detached Operation for Cntl Unit (#4411)	22.00	264.00	3.30	39.60	303.60
1	CTF6006	Library Operation for Cntl Unit (#4412)	24.00	288.00	3.60	43.20	331.20
4	CTF6010	Library Oper for 4-Xport Units (#4412)	144.00	1,728.00	21.60	259.20	1,987.20
7	CTF6015	Pass Through Port (#4420-001)	231.00	2,772.00	34.65	415.80	3,187.80
9	CTF6018	Hi-Speed Velocity Opt(#4442) for CTU6C	0.00	0.00	0.00	0.00	0.00
6	CTFC001-Q200	3RD CTS HOST ADAPTER	144.00	1,728.00	21.60	259.20	1,987.20
4	CTFC006-QL00	CTL CLIPPER 80 C. PORT CAP	408.00	4,896.00	61.20	734.40	5,630.40
2	CTFC026-QU00	BACKUP SYSTEM SUPPORT UNIT	54.00	648.00	8.10	97.20	745.20
12	CTFC027-Q140	1ST SNGL ESCON(TM) CHNL/M34	360.00	4,320.00	54.00	648.00	4,968.00
12	CTFC027-Q240	2ND SNGL ESCON(TM) CHNL/M34	360.00	4,320.00	54.00	648.00	4,968.00
12	CTFC027-Q340	3RD SNGL ESCON(TM) CHNL/M34	360.00	4,320.00	54.00	648.00	4,968.00
12	CTFC027-Q440	4TH SNGL ESCON(TM) CHNL/M34	360.00	4,320.00	54.00	648.00	4,968.00
6	CTK6024	Feature Enhancement	372.00	4,464.00	55.80	669.60	5,133.60
2	CTKC007-QL00	CTL PTP WALL KIT	0.00	0.00	0.00	0.00	0.00
4	CTKC008-QL00	CTL CD WALL KIT	N/A				
9	CTKC013-Q400	DETACHED OPER for 4*TRANSPORTS	360.00	4,320.00	54.00	648.00	4,968.00
6	CTKC013-QS00	DETACHED OPER for CTS	222.00	2,664.00	33.30	399.60	3,063.60
9	CTKC014-Q400	LIB OPERATIONS for 4*TRANSPRTS	315.00	3,780.00	47.25	567.00	4,347.00
6	CTKC014-QS00	LIB OPERATIONS for CTS	150.00	1,800.00	22.50	270.00	2,070.00
9	CTKC026-Q400	POWDERHORN ATTCH FOR M34	297.00	3,564.00	44.55	534.60	4,098.60
1	CTL6000	CTL STORAGE MODULE W/6000 CAR	2,028.00	24,336.00	304.20	3,650.40	27,986.40
1	CTLC003-QG00	PowderHorn 6000 Cart 190EPH	2,055.00	24,660.00	308.25	3,699.00	28,359.00
5	CTLC005-QG00	CTL POWDERHORN	10,558.00	126,696.00	1,583.70	19,004.40	145,700.40
1	CTLC011-Q400	CTL UNIX SERVER STANDARD	114.00	1,368.00	17.10	205.20	1,573.20
9	CTU6004	Cart Drive 4-Transports (#4780-M24)	7,290.50	87,486.00	1,093.58	13,122.90	100,608.90
2	LMUC003-QS00	CTL WOLFCREEK STAND-ALONE LML	670.00	8,040.00	100.50	1,206.00	9,246.00
1	NSQ1996-037A	USED CTS6510	651.00	7,812.00	97.65	1,171.80	8,983.80
1	NSQ1996-037B	USED CTK6024	57.00	684.00	8.55	102.60	786.60
1	NSQ1996-037C	USED CTKC013-Q200	18.70	224.40	2.81	33.66	258.06
1	NSQ1996-037G	USED CTF6021	25.00	300.00	3.75	45.00	345.00
Subtotal			44,432.20	533,186.40	6,664.83	79,977.96	613,164.36

Escon Directors

QTY	MI	Description	Monthly	Year 2003 Mth. Total	Monthly Premium	Year 2003 Prem. Tot.	Total 2003 Maintenance
4	ST300CA-10K	ONE DMIF BD (4 PORTS) 10-KM TL	132.00	1,584.00	38.28	459.36	2,043.36
3	ST300CA-28	ESCON DIRECTOR 28 PORTS	1,836.00	22,032.00	532.44	6,389.28	28,421.28
2	ST300CA-CDC	CDC WORKSTATION	56.00	672.00	16.24	194.88	866.88
6	MXFC014-G100	TWO PCI-ESCON I/O CHANNELS	600.00	7,200.00	174.00	2,088.00	9,288.00
Subtotal			2,624.00	31,488.00	760.96	9,131.52	40,619.52

Tape on 8 to 5 Coverage

QTY	MI	Description	Monthly	Mth. Total	Premium	Prem. Tot.	Maintenance
0	MTF8201	MTS 2X8 SWITCH	0.00	0.00			240.00
1	MTF8201	MTS 2X8 SWITCH	19.00	228.00			240.00
1	MTS8228	FIPS-COMPLIANT TAPE SUBSYSTEM	1,093.00	13,116.00			13,116.00
1	NSQ1996-036B	USED MTS8218	1,073.00	12,876.00			12,876.00
0	MTU8208	MAGNETIC TAPE UNIT: 200IPS, 1	0.00	0.00			0.00
2	NSQ1996-037E	USED CTU6002	1,212.00	14,544.00			14,544.00
4	NSQ1996-037F	USED CTF6014	172.00	2,064.00			2,064.00
Subtotal			3,569.00	42,828.00	0.00	0.00	43,080.00

Misc.

QTY	MI	Description	Monthly	Year 2003 Mth. Total	Monthly Premium	Year 2003 Prem. Tot.	Total 2003 Maintenance
1	UTSC024-QK00	CTL UNIX SERVER above 9999C	320.00	3,840.00			3,840.00
10	MXFC001-G100	FIPS-60 I/O CHANL ATTACH FEAT	320.00	3,840.00	92.80	1,113.60	4,953.60
6	MXFC014-G100	TWO PCI-ESCON I/O CHANNELS	600.00	7,200.00	174.00	2,088.00	9,288.00
1	UTSC115-0000	TMS8-V	3657	43,884.00			43,884.00
Subtotal			4,897.00	58,764.00	266.80	3,201.60	61,965.60

Total HM0502 758,829.48

SECTION

5

Work Statement Operational Considerations
Availability

This service can begin within approximately 30 days of receipt of order. The actual start date of this service will be negotiated based on the State of Michigan's desired start date and the availability of the Bull Services Software Specialist that will provide the service.

Conditions

These services are normally available Monday through Friday, excluding Bull Services holidays, from 7AM to 7PM local time, unless otherwise negotiated. For those Services that require a system interruption, the Bull Services Software Specialist will negotiate a mutually agreeable schedule with the Customer so as to minimize disruption of data processing services to end users. Completion of services is subject to the availability of resources and the timely completion of Customer responsibilities.

31) Relative to this Statement of Work and the resulting Deliverables, Bull Services does not assume any responsibility for differences in GCOS 8 resource utilization or performance between the newly installed MS8 and the previous GCOS 8 configuration.

(47)The State of Michigan will assign personnel with working knowledge of GCOS 8 and UNIX AIX operations and administration. The assigned personnel should attend the training overview and on-the job training provided in this service.

(48)This Statement of Work requires that sufficient GCOS 8 system resources and system time be made available to accomplish this installation.

(49)TP8 and other GCOS 8 subsystem release migrations are outside of the scope of this Statement of Work.

(50)No formal written report will be generated as a result of this service. The Bull Services Software Specialist will make all recommendations to the State of Michigan while still on-site.

(51)Installation will occur in two phases. The first phase will be at the production site and the second phase will be at the remote site. However the State of Michigan can change this to phase 1 at the remote site and phase 2 at the production site.

Contracts

The equipment, software licenses, warranty, installation and training services, and remedial equipment maintenance and software support described in this Statement of

Work shall be sold to the State by Bull Services in accordance with the terms and conditions of a new Contract between the State and Bull Services that shall replace Contract No. 07B6000094 between the State of Michigan and Integris Inc., as amended (the "Contract"), including, without limitation, the Terms for Equipment Sale, Products, Services and Software Licensing attached hereto as Exhibit A that form part of the Contract.

SECTION

6

Exhibit A Terms for Media Server Statement of Work

**Exhibit A Terms
FOR
EQUIPMENT SALE, PRODUCTS, SERVICES AND SOFTWARE LICENSING
FOR
STATE OF MICHIGAN
FROM INTEGRIS INC., DOING BUSINESS AS BULL SERVICES**

1. Equipment Purchase

1.1 Equipment Warranty

- A. Integris Inc., doing business as Bull Services, ("Contractor") warrants to the State of Michigan (the "State") (i) good and clear equipment title, free and clear of liens and encumbrances, and (ii) that the equipment is free from defects in workmanship and material under normal use during the applicable warranty period.
- B. During the warranty period, Contractor authorized service provider ("Service Provider") shall provide parts and labor during its normal working hours for the repair or exchange of parts defective in workmanship and material at a Contractor authorized service location or at the State's site, as determined by the equipment type.
- C. This warranty extends only to the State as the original purchaser and excludes expendable parts.
- D. The Warranty Group and warranty period are in the applicable Statement of Work that describes the Equipment subject to the warranty and that references these Rider A terms (the "Applicable SOW").

1.2 Installation

Prior to shipment, the State is to prepare its site in accordance with Contractor specifications and instructions. Except for (i) State Installable Unit (CIU) equipment and, (ii) field upgrades, such as logic units, which change the specifications of installed equipment, the Service Provider shall provide installation service, including supervision of unpacking and placement of the equipment at no additional charge during its normal working hours. Charges (i) resulting from the State's failure to provide the necessary facilities or supplies or to meet Contractor site specifications and instructions and, (ii) for installation of CIU equipment and such field upgrades are payable by the State.

2. Security Interest

Until full payment is received, Contractor reserves a purchase money security interest in all equipment, additions, accessions, replacements, products and proceeds to secure payment by the State. Contractor may sign on behalf of the State and file financing statements to perfect or evidence Contractor security interest. The State agrees to pay all charges associated with the filings.

3. Licensed Internal Code

- A. Licensed Internal Code ("Code") means instructions embodied in some discrete device or media that are either imbedded into or are to be loaded into equipment, are an integral part of, and required by, equipment and execute below the external user interface. The State acknowledges that Contractor or its licensors own all copies of Code including all copies made from them and that Code is copyrighted by Contractor or its licensors.
- B. Contractor grants the State a license to use the Code and authorizes the State to: (i) execute the Code to enable the equipment to perform in accordance with Contractor (or its licensor's) official published specifications, (ii) make a backup or archival copy of the Code unless one is provided by Contractor, which copy the State may use only to replace the original in the equipment, and (iii) execute and display the Code as necessary to operate the equipment and have it maintained.
- C. The State shall include the copyright notices and any legends on each copy of Code.
- D. The State shall not: (i) otherwise copy, display, adapt, modify or electronically distribute the Code except as may be authorized by Contractor in writing, (ii) reverse assemble, reverse compile, decode or translate the Code or (iii) sublicense, assign or lease the Code.

- E. The State may transfer possession of the Code to another party only with the transfer of the equipment provided any party receiving Code from the State agrees to be bound by the terms and conditions herein. The State's license to use the Code is discontinued when the State no longer owns or rightfully possesses the equipment.

4. Charges

4.1 Charges for equipment, software licenses, professional services, separately chargeable Software Product support and Equipment Maintenance Services are provided in the Applicable SOW.

4.2 Contractor invoices all monthly/annual charges in advance and the State's payment is due within 30 days from date of invoice (charges for a partial period are prorated using a 30 day month). Contractor invoices all professional service fees either based on milestones, as defined in the Applicable SOW or, if none are defined, then at the end of a calendar month in which the service has been provided, with payment due within 30 days from date of invoice.

4.3 Monthly/annual license fees and monthly/annual service charges start as of the License Term for Software Products or as of the date the Software Product Support Term or Equipment Maintenance Service Term commences.

4.4 For a Software Product added during a license term or for equipment added during a Maintenance Service Term, its monthly/annual license fee or monthly/annual service charge will be prorated for the time remaining in the billing period.

5. License for Software Products and Diagnostic Materials

5.1 Grant

- A. Contractor grants to the State a nonexclusive, nontransferable license to use each Software Product consisting of any computer programs and related materials such as documentation ("Software Product") solely for the State's own use on that equipment unit, identified by Contractor System Number, which runs the Contractor Software Products ("Central System"). For personal computer systems, Central System means that equipment unit which is first used to run personal computer Software Products. If the State is temporarily unable to use a Software Product on the Central System because of conditions beyond the State's control, the State may temporarily use the Software Product on another designated Central System.

The term Software Product also includes Contractor provided (i) UNIX* software which is or operates under a version of the UNIX Operating System ("UNIX Software"), and (ii) personal computer software, which software is or operates under UNIX Software or a personal computer Operating System other than UNIX Software.

- B. Contractor also licenses to the State maintenance, support and other diagnostic routines, computer program media and related documentation ("Diagnostic Materials") provided by Contractor for use in installing, testing, diagnosing or verifying Contractor equipment or Software Products. Unless expressly stated, no other provision of Section 5 applies to Diagnostic Materials.

5.2 State Rights/Obligations

- A. For Software Products in machine readable form, (excluding UNIX Software), the State may (i) make sufficient copies necessary for the State's own use, and (ii) make adaptations or merge any Software

Product in any part or form into other software to create an updated work provided that, upon termination of the license, such adaptation or updated work is completely removed from the Software Product. No copyright license is granted the State in the exclusive rights of copyright owners except where the Software Products or Diagnostic Materials are provided by Contractor in machine-readable form.

For UNIX Software that is machine readable, (i) only 1 copy may be made solely for backup or archival purposes, and (ii) adaptations, modifications, supplements, translations or any other changes are not permitted.

- B. The State agrees:

- (1) that all copies of Software Products provided by Contractor or made by the State, in any form, and all Diagnostic Materials are and remain the property of Contractor or its licensor. The State (i) has no right, title or interest in the Software Products or any Diagnostic Materials, except as stated herein, (ii) shall not sell, transfer or otherwise make available the Software Product or any Diagnostic Materials to others, (iii) shall secure and protect each Software Product and Diagnostic Materials, including erasure thereof prior to disposing of media, consistent with the maintenance of the rights therein, and (iv) shall take any action necessary with its employees who are permitted access to each Software Product and Diagnostic Materials to satisfy its obligations;
- (2) to keep confidential Software Products and Diagnostic Materials containing trade secrets and that this obligation survives termination of this Agreement;
- (3) not to reverse assemble or decompile any Software Product or Diagnostic Materials in whole or part;
- (4) to include copyright or trade secret notices on all copies and adaptations in any form of the Software Product;
- (5) to pay Contractor or the Service Provider, as applicable, for services necessitated by adaptations of any Software Product or State's failure to utilize current Software Product releases;
- (6) to determine the appropriate use and limitations of each Software Product;
- (7) that for Software Product license fees based on (i) the maximum number of users allowed access or (ii) usage, such as the number or size of items stored and/or processed, State shall not permit use of the Software Products beyond that authorized by the license fee, and
- (8) that certain Contractor licensed software contains software from various vendors who are third party beneficiaries of this license and may also enforce this license.

- C. For Software Products that Contractor offers as "porting tools", the State's right to copy and use any given program in any form on a Contractor system is the sole responsibility of the State. Therefore, before contracting for porting tool Software Products, the State must have these rights, and the State agrees to indemnify Contractor for any claim that the State does not have such rights.
- D. A license agreement will accompany the shipment of certain Software Products. If inconsistencies exist between that agreement and these provisions, the accompanying agreement prevails. If such agreement is not a Contractor license, Contractor provides the product "AS IS".

5.3 License Term

- A. The license for each Software Product and Diagnostic Materials, respectively, is effective on the Contractor shipment date and continues until terminated as provided herein. The initial License Term for all Software Products under the same System Number that are provided under a monthly/annual license fee starts upon installation of the Central System, as determined by Contractor, and continues for 1 year plus any days remaining in the month following such year.
- B. For a Software Product added after the Central System is installed, its License Term starts 30 days after shipment of the Software Product and continues as follows:
 - (1) for monthly license fees, 1 year plus any days remaining in the month following such year, and
 - (2) for annual license fees, the remainder of the annual License Term.
- C. For Software Products under an annual license fee, the License Term renews for 1-year terms unless terminated as provided herein.

5.4 Termination

- A. The State may terminate a license upon 30 days written notice as follows: (i) for monthly licenses, on the first day of the month following 1 year from commencement of each License Term and at any time thereafter, and (ii) for annual licenses, at the end of the then current License Term.
- B. If the State fails to comply with its license obligations and such failure continues for 10 days after receipt of notice from Contractor, then Contractor may terminate the license and require the immediate return to Contractor of all affected Software Products and Diagnostic Materials and all copies in any form.
- C. The license for certain Diagnostic Materials, as described in Contractor documentation, ceases upon termination of equipment maintenance and/or software support service or until terminated by written notice to the State, whichever occurs first. In any event, the license for each Software Product and Diagnostic Materials terminates when the State's possession of the Central System ceases.

- D. Within 5 days after (i) installation of a Software Product which replaces another or (ii) the license termination of a Software Product or Diagnostic Materials, the State is to destroy the original and all copies in any form and upon request certify the destruction in writing.

6. Software Product Support

This Section 6 applies to both those Software Products licensed by Contractor to the State where the license fee includes software support and at no additional charge and those Software Products for which software support is subject to a separate annual support charge, as such license fees or separate annual support charges are set forth in an Applicable SOW.

6.1 Basic and Comprehensive Support

- A. Basic Software Product Support (Basic Support) and Comprehensive Software Product Support (Comprehensive Support) are provided on a Central System basis, as designated by each System Number.
- B. Basic Support applies to eligible Application Software Products and System Software Products, but does not include onsite service that Contractor provides under applicable Time and Materials labor rates and charges.
- C. Comprehensive Support applies to eligible System Software Products.

6.2 Support and Charge Applicability

- A. Basic and Comprehensive Support: Based on the product line, either Basic or Comprehensive Support is included at no additional charge under the Software Product monthly/annual license fee or for those Software Products where support is separately chargeable based on an annual or monthly support charge, then such annual or monthly support charge shall apply.
- B. For IB1 and IC1 License Code Software Products, support is included at no charge for a 1 year period (2 years for IC2 and 90 days for IC90 code Software Products), as specified in State's order, plus any days remaining in the month following the no charge period for each such Software Product and only if State contracts for chargeable support when ordering the Software Product.

6.3 Support Service and Term Start Dates

- A. The initial Support Term for Basic/Comprehensive Support for eligible Software Products under the same System Number (i) starts upon installation of the Central System, and (ii) is 1 year plus any days remaining in the month following such year. The initial Support Term for Basic Support for personal computer Software Products starts 30 days after shipment of any such Software Product and continues as provided in the preceding sentence. Notwithstanding the foregoing, the initial Support Term for Software Products where support is subject to an annual or monthly support charge shall commence as stated above only if and to the extent that the State has issued a purchase order that includes such annual or monthly support charge; otherwise, support is not available for such Software Products.

B. For a Software Product that is not subject to a separate annual support charge but that is added after a Support Term starts, support commences 30 days after shipment of that Software Product. Except as provided for IB1, IC90, IC1 and IC2 software, support continues for the remainder of the then existing Support Term subject to Section 6.6. For IB1, IC90, IC1 and IC2 software, support is provided during the no charge period.

C. Upon expiration of the initial Support Term, support continues for 1 year renewal terms during the balance, if any, of the no separate charge support period or, for Software Products that are subject to a separate annual or monthly support charge, support continues for 1 year renewal terms only if and to the extent the State has issued an order for such support charge at least thirty (30) days prior to the commencement of the one year renewal term.

6.4 The State is to:

A. Designate to Contractor a primary contact(s) with Contractor for Software Product problems. Such individual is to have the knowledge to define the technical aspects of Software Product problems to Contractor and interpret and apply remedial instructions received from Contractor, and

B. Install updates and revisions to the then current release within 90 days from date of shipment thereof or upon instruction from Contractor.

6.5 Support Services

The support services provided under Basic (B), Comprehensive (C) and Operational (O) Support are as follows:

SERVICES	PROVIDED UNDER
A. Telephone access is provided 24 hours per day, 7 days per week for the purpose of receipt and relay of State calls to Customer Support Center (CSC) personnel during the CSC's hours of availability.	B,C,O
B. Telephone/on-line support from the CSC is provided during the hours established in the CSC's then current policies and instructions and, as applicable, includes:	
(1) Identification and commercially reasonable efforts to resolve the failure of the Software Product to conform to its published documentation;	B, C
(2) Consultation assistance during the State's installation of Software Products;	C
(3) CSC review of required State Software Product parameters during the State's initial installation of Software Products;	B, C
(4) Clarification of Contractor Software Product documentation, such as customer manuals, technical notes and release bulletins;	B, C, O
(5) Responding to questions on Software Product usage;	B, C, O
(6) Search by Contractor of its known problem file, and upon request, providing the State with a copy of the applicable information available in that file;	B, C
(7) On-line or direct use by the State, if applicable, of Contractor support tools and services;	C

SERVICES	PROVIDED UNDER
(8) Development and application of a temporary fix or attempt an emergency bypass and assessment of the corrective services;	C
(9) CSC assistance in the preparation of System Technical Action Requests (STARs) and processing/responding to STARs; and	B, C
(10) Assistance in resolving problems related to the installation of update and corrective information.	C
C. Onsite Support: If additional support is required after the above telephone/on line remedial services have been performed, the Service Provider shall provide onsite support at no additional charge 7:00 a.m. to 7:00 p.m., State local time, Monday through Friday, excluding the Service Provider's local holidays.	C
D. Update Support: Available updates / revisions and related documentation, as well as an updating facility for providing scheduled updates via communication lines, tape, diskette or other means are provided.	B, C
E. Onsite support (i) beyond Section 6.5C above, or (ii) at any time for Software Products under Basic or Operational Support, may be available from the Service Provider.	

6.6 Support Alteration and Termination

A. If the Software Product is or operates under the then current operating system general release on the date that support starts as defined in Section 6.3, then Contractor may alter or terminate Basic/Comprehensive Support effective upon expiration of a Support Term.

B. The State shall be provided prior written notice of Basic/Comprehensive Support alteration or termination for the following License Code Software Products:

- (1) Monthly M and IB1 - 180 days
- (2) Annual A - 90 days
- (3) I, IB1, IC90, IC1 or IC2 or Software Products Subject to Separately Chargeable Support- either 90 or 180 days based on the product line as specified in the written notice to the State.

C. In any event, Basic/Comprehensive Support automatically terminates upon termination of the license for the Software Product.

6.7 Software Support General

A. Support Coverage

Basic or Comprehensive Support, as applicable, is provided as follows:

- (1) for Software Products not operating in a distributed systems network environment, if support is provided for any System Software Product under the same System Number (for personal computers, any such software having the same Marketing Identifier) then, support must be

elected for all such software under that System Number, and

- (2) for Software Products operating in a distributed systems network environment: (i) if support is provided for any interdependent Software Product, as designated in Customer documentation, then support must be elected for all interdependent Software Products in that network environment, and/or (ii) if support is provided for any noninterdependent System Software Product under the same System Number, then support must be elected for all such software under that System Number. The Service Provider provides support in a distributed systems network environment only through systems that are fully supported by the Service Provider. Therefore, when such support is elected, the State agrees to assign and designate a technical interface to the Service Provider for at least 1 system on which the State has contracted support for both interdependent Software Products and noninterdependent System Software Products.

B. Limitations

- (1) Installation: The installation or systems generation of Software Products and revisions/updates and releases are the State's responsibility and are not included under this Agreement.
- (2) Support of Latest Updates: Unless otherwise specified, the Service Provider supports Software Products that are or operate under the latest 2 updates of the then current operating system general release.
- (3) Unmodified Software Products: Support is for the unmodified portion of eligible Software Products. Support is available for modified portions of Software Products in accordance with the Service Provider's then current terms, conditions and charges.

7. Delivery

- A. Contractor delivers equipment and Software Products F.O.B Destination in accordance with a mutually agreeable delivery schedule.
- B. While Contractor makes every effort to ship equipment consistent with the State's delivery requirements, Contractor may provide interim equipment where a delay of ordered equipment occurs. Interim equipment will have equal or greater functionality than the ordered equipment. Contractor shall notify the State in writing prior to shipping the interim equipment. When the ordered equipment is received by the State, the interim equipment is to be returned immediately to Contractor, at Contractor expense, free and clear of all liens and encumbrances.

8. Exchanged Equipment, Parts and Materials

All equipment, parts and materials exchanged due to equipment warranty, installation, maintenance or upgrade become the property of Contractor at no charge. The State warrants that as of the date of exchange, it is the lawful owner of the exchanged item and transfers all right, title and interest therein to Contractor free and clear of all liens and encumbrances.

9. Remote Services

In order that Software Product support services may be provided for selected systems designated by Contractor, the State shall provide at its expense a dedicated telephone line for those systems. Contractor or the Service Provider shall provide in accordance with then current policies and instructions the modem to be used by the State for these remote services.

10. Diagnostic Materials Updates/Revisions

The State is to install updates and revisions to the Contractor specified release of the Diagnostic Materials within 30 days from shipment thereof.

11. Maintenance Term, Service Start Date and Renewals

11.1 The initial Maintenance Service Term for all equipment under the same System Number (i) starts upon the first expiration of a warranty period for any unit of equipment under that System Number or on the Customer Acceptance Date where warranty does not apply, and (ii) continues for 1 year plus any days remaining in the month following such year.

11.2 For a unit of equipment added after the start of a Maintenance Service Term, maintenance service commences upon expiration of the warranty period for that unit of equipment or on the Customer Acceptance Date where warranty does not apply, and continues for the remainder of the then existing term.

11.3 The Maintenance Service Term renews for successive 1-year terms, unless terminated as provided herein.

12. Standard Maintenance Service

12.1 Basic Service: Includes remedial maintenance service, replacement parts and labor at the State's site, if necessary, and any preventive maintenance service determined by Contractor during the Principal Period of Maintenance (PPM), 7:00 a.m. to 7:00 p.m., State local time, Monday through Friday, excluding local Contractor holidays.

12.2 Extended Maintenance Service: The State may elect service beyond the PPM on a scheduled or unscheduled basis at additional charges set forth in the Applicable SOW.

A. Scheduled Extended Maintenance Service

- (1) The descriptions for available selected scheduled extended maintenance periods are in the Applicable SOW.
- (2) Service commences on the date selected by the State. The State may change coverage to commence only on the first day of a month upon 30 days written notice.

B. Unscheduled Extended Maintenance Service

The State may request remedial maintenance service beyond the PPM and on local Contractor holidays on an unscheduled basis in accordance with then current applicable hourly labor rates.

12.3 Diagnostic Materials

Contractor may provide to the State maintenance, support and other diagnostic routines, computer program media and related documentation ("Diagnostic Materials") for use in installing, testing, diagnosing or verifying the equipment maintained hereunder.

- A. License: Contractor grants to the State a nonexclusive, nontransferable license to use the Diagnostic Materials solely for the State's own use on the designated Central System in accordance with Contractor's instructions.
- B. Term: The license is effective on the date Equipment Maintenance Service starts and terminates when the State's possession of the Central System ceases,

when the Maintenance Service Term ends or until terminated by Contractor, whichever occurs first. Within 5 days after the license termination of the Diagnostic Materials, the State is to destroy the original and all copies in any from and upon request certify the destruction in writing.

C. The State agrees:

- (1) that Diagnostic Materials are and remain the property of Contractor or its licensors. The State (i) has no right, title or interest in the Diagnostic Materials, except as stated in this Section 12.3, (ii) shall not sell, transfer or otherwise make available the Diagnostic Materials to others, (iii) shall secure and protect Diagnostic Materials, including erasure thereof prior to disposing of media, consistent with the maintenance of the rights therein, and (iv) shall take any action necessary with its employees who are permitted access to the Diagnostic Materials to satisfy its obligations;
- (2) to keep confidential Diagnostic Materials containing trade secrets and that this obligation survives termination of the Agreement or Applicable SOW to which this Rider A relates;
- (3) not to reverse assemble or decompile the Diagnostic Materials in whole or part, and
- (4) to install updates and revisions to the Contractor specified release of the Diagnostic Materials within 30 days from shipment by Contractor.

12.4 Remote Services: In order that Contractor may provide remote equipment maintenance services for selected systems designated by Contractor, the State shall provide at its expense a dedicated telephone line for such systems. Contractor shall provide in accordance with its then current policies and instructions the modem to be used by State for these remote services.

12.5 Service Continuation: Remedial maintenance service which begins during the PPM or a scheduled extended maintenance period and which is not completed prior to the end of such period, will continue at no additional charge if progress is being made in diagnosing or resolving the problem, as determined by local Contractor personnel.

12.6 Access to Equipment and Facilities: The State agrees to provide to Contractor at no charge access to the equipment and facilities, such as working space, electricity and a local telephone line.

12.7 Engineering Changes: Engineering changes, as determined by Contractor, are installed at no additional charge during the PPM or scheduled extended maintenance periods, Monday through Friday, excluding local Contractor holidays.

13. General Maintenance Service Conditions

13.1 The State is to:

- A. perform that preventive maintenance service specified in any applicable documentation, and
- B. prior to requesting remedial maintenance service, (i) perform test, verification analyses and diagnostic procedures in accordance with any applicable

documentation and Contractor's instructions, (ii) inform Contractor of the test results, and (iii) perform the corrective actions Contractor requests.

13.2 Equipment Maintenance Service Coverage: All equipment under the same System Number, including equipment additions, must have the same maintenance service coverage and scheduled extended maintenance service period. Exceptions: (i) CIU equipment including terminal subsystems, printers and personal computers may have different coverage, and (ii) for CIUs added to a system under maintenance service coverage, Contractor will maintain those CIUs under Mail-In or, as available, Walk-In Service, where the State does not elect a service coverage.

13.3 Equipment Relocation: The State may move the equipment. In order to update Contractor's records, the State shall notify Contractor prior to moving equipment. The availability of maintenance service for relocated equipment is subject to Contractor's then current terms, conditions, charges and policies.

13.4 Proprietary Information, Maintenance Tools and Equipment: Contractor's maintenance materials include all maintenance equipment, test, diagnostic and verification information and routines, tools and documentation (whether on Contractor's or State owned media and whether on the State's site, or accessible by remote inquiry or incorporated in the equipment). All Contractor's maintenance materials are and remain the property of Contractor and Contractor may remove or discontinue usage thereof, as applicable, at any time or the State is to destroy same upon written request from Contractor. The State shall secure and protect all confidential and proprietary items consistent with the maintenance of the rights therein.

13.5 Maintenance Service Exclusions:

- A. Any service not specified herein including overhaul or refurbishment of the equipment due to age or prolonged usage is outside the scope of the Agreement and Applicable SOW to which this Rider A relates.
- B. Contractor is not liable to State for any loss or damage arising from:
 - (1) The State's failure to comply with any State responsibilities or the State's abuse, misuse or shipment of equipment.
 - (2) The attachment of devices not maintained hereunder by Contractor, relocation of equipment or, the alteration, adjustment, repair, or deinstallation/installation of any equipment by other than Contractor's authorized representatives. Any equipment involved in such activity is subject to inspection at Contractor's then current terms, conditions and charges prior to the continuation of maintenance service and Contractor reserves the right of immediate termination of maintenance service for the affected equipment.
- C. The State is to pay Contractor's then current charges for services due to any of the above exclusions.
- D. Termination: Either party may terminate equipment maintenance service upon 30 days written notice effective at the end of the then current term.

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**A BULL SERVICES PROPOSAL AND
STATEMENT OF WORK
TO THE STATE OF MICHIGAN
FOR
TERADATA AND GCOS PRODUCTS AND
SERVICES
(CONTRACT 071B4200156)**



JUNE 26, 2006

KnowledgeTM Solutions
| from Bull Services

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Bull Services acknowledges the rights of owners of the trademarks cited herein.



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SOW for the “AS IS” Renewal of GCOS & Teradata Maintenance, Support, and Licenses (Contract 071B4200156)

1. SOW for: GCOS & Teradata Maintenance, Support, and Licenses (Contract 071B4200156)

1.1 Introduction

Integris Inc. (doing business as Bull Services) (“Bull Services”) proposes the following pricing for GCOS and Teradata products and services that would be provided under Contract ‘0156, as amended by this Statement of Work, with the assumption that the Contract Term for Contract ‘0156 would be extended through September 30, 2009 through a corresponding Change Notice issued by the State. This proposal contains 3 Statements of Work (“SOW”s):

The first SOW is for the “AS IS Renewal of licenses, maintenance, and support for GCOS and Related Products from October 1, 2006 through September 30, 2009 (see Section 1.2).

The second SOW is for the “AS IS” Renewal of maintenance and support, Teradata Software Subscription, and Software Implementation Services for the currently installed Teradata products from October 1, 2006 through September 30, 2009 (see Section 1.3).

The third SOW is for an optional upgrade of the currently installed Teradata products with pricing assuming that installation and acceptance has been completed by December 31, 2006, with subsequent maintenance and support, software subscription and software implementation services through September 30, 2009 (see Section 2).

All three SOWs will be made a part of Contract ‘0156.

1.2 GCOS and Related Products (Contract 071B4200156 and Former Contract 071B900454)

PRICING

The following sets forth the pricing for maintenance, support, and licenses for the GCOS environment currently in operation at the State and for the related products currently in operation at the State under former contract 071B9000454 for the period from October 1, 2006 through September 30, 2009, but with the understanding that such maintenance, support and licenses would be provided under the terms of Contract '0156. For purposes of the table set forth below, the reference to "GCOS" shall mean a reference to any of the GCOS products currently being serviced under Contract '0156 and any of the related products currently being serviced under Contract '0454.

	FY2006	FY2007	FY2008	FY2009	Total
GCOS List	3,577,506	3,766,939	3,955,286	4,153,050	11,875,275
Discount	143,100	150,678	339,025	536,789	1,026,492
GCOS Subtotal	3,434,406	3,616,261	3,616,261	3,616,261	10,848,783
Discount if FY2007 PO is rec'd by 7/5/06		179,961			179,961
Add'l 1%discount for annual prepayment		37,669			37,669
Revised GCOS Subtotal		3,398,631	3,616,261	3,616,261	10,631,153
Discount %	4.0%	9.8%	8.6%	12.9%	10.5%

Notes:

This pricing excludes maintenance of any individual item(s) (example STK tapes) for which maintenance has been discontinued. Such items will be maintained on an 'as-available' T&M basis and such T&M costs are not included in the totals above.

GCOS and Related Product Pricing:

This is a combined price, not a stand-alone offering, and is in conjunction with a three year "consolidated contract" (i.e., placing the GCOS and Related Products as well as the Teradata products – and associated services – under Contract '0156). If the State cancels the SOW for either GCOS or Teradata, Bull Services reserves the right to adjust the pricing in the applicable SOW.

In addition:

Bull Services will extend FY2006 pricing to the State for all contract years prepaid by July 5, 2006.

Bull Services will increase the State's prepay discount to 5% discount, provided a Purchase Order is received by July 5, 2006, and is paid prior to July 30, 2006.

PREPAYMENTS

We understand that the State is planning prepayment of only the FY2007 amount. Assuming prepayment of only the FY2007 amount, our revised offer for an "AS IS" renewal of the GCOS and Related Products licenses, maintenance and support with payments due dates as follows:

Fiscal Year	Amount	Payment Due By
2007	3,398,631	07/30/2006
2008	3,616,261	10/30/2007
2009	<u>3,616,261</u>	10/30/2008
Total	10,631,153	

EQUIPMENT LIST

	Model Number	Description	Qty
SYSTEM HM0502			
	Central System		
	CMMC022-M000	1024MB OF MAIN MEMORY	1
	CMMC026-MU00	MEM UPG 512MB>1GB;1>1.5GB;1.5>	2
	CPSC254-M000	DPS9000/TA54 CENTRAL SYS COMP	1
	CPXC001-M000	OPT OM SERVER FOR DPS9000/TA	1
	CSUC002-M000	OPT OPWS SYS CNSL FOR DPS9000TA	1
	DCEC001-G400	NDIC/DN75/23M CHAN EXCH FEAT	4
	DCPC001-G000	FCP8 HOST CONNECTION FEAT	6
	DSPC004-0000	HIGH RANGE DBSS SYSTEM	1
	MXFC001-G100	FIPS-60 I/O CHAN ATT FEA	14
	MXFC014-G100	PCI-ESCON I/O CHANNELS AND CBLs	10
	MXKC020-G300	THIRD SERVER PROCESSOR ATTACH	1
	MXUC006-G100	FIRST I/O SRVR CAB,PROC & CBLs	1
	MXUC006-G200	SECOND I/O SRVR CAB,PROC & CBLs	1
	MXUC007-GU00	ADDIT I/O SRVR PROC,LCB & CABLS	2
	RCFC002-M000	REMOTE SYSTEM CONSOLE JUPITER	1
	EMC 8730 Disk		
	MSAC018-0C00	ESCON CHANNEL DIRECTOR 4 PORT	4
	MSAC019-0C00	REMOTE CHANNEL DIRECTOR 4 PORT	2
	MSAC020-0C00	ULTRA SCSI CHNL DIRECTOR 4 PORT	1
	MSKC072-0C00	4096 MB M3 CACHE MEMORY	1
	MSPC0890C36	MSPC089-0C36/EMC 8830-36 F/MI	1
	MSUC033-0CM1	HDA8031-36M1 35.8GB MIRROR	30
	GNSP		
	MXKC020-G400	FOURTH SERVER PROCESSOR ATTACH	1
	MXKC020-GU00	SHARED SERVER PROCESSOR ATTACH	1
	NSKC004-0000	GRAPHICAL CONSOLE F/GNSP/E-BSP	2
	NSPC002-0000	GNSP STANDARD SYSTEM	2
	Media Server		
	CSKU101-U000	SYSTEM CONSOLE	1
	CTKC052QU00	STK L180-700 PCI FBR INTF,SUBK	1
	CTKF033S000	LIBRARY ADMIN KIT F/L700,SUBK,	1
	CTLC051Q070	L700-700 LIB W/678 CELLS,SUBK	1
	CTUC015Q040	STK9840C FIBR DRV-L180/700,SUBK	6
	MSFC036-0000	FIBER CHANNEL ENABLER F/1 IOSP	2

	Model Number	Description	Qty
	MXFC016-M000	PCI FIBRE 2GBIT/S	2
	VMSC002-0000	MSV EXTENDED DISK CACHE	1
	VMSC003-0008	MSV 800 DISK CACHE EXTENSION	1
	VMSS003-0000	MEDIA SERVER VIRTUO EXTEND SYS	1
	VMSS006-0001	MSV CABINET - WHITE, 22U	1
	Miscellaneous Hardware		
	PNT-P4208/P5208	P5208 800 LPM LINE PRINTER	1
	PNT-P4280	PRINTRONIX P4280 SHUTTLE	1
	SR6.0 SYSTEM SOFTWARE		
	ADDC201-0000	TSM8	1
	ADDC202-0000	DEBUG SUPPORT SYSTEM	1
	CDRC201-0000	GCOS8 CD-DOC ADDITIONAL COPY	2
	CLGC201-0000	C COMPILER & RUNTIME	1
	CLGC202-0000	C SQL PRE-PROCESSOR C & R	1
	CNSC201-0000	GCOS8 BASIC COMMUNICATION FACILITY	1
	CNSC202-0000	GNSP COMMUNICATION FACILITY	1
	CNSC203-0000	GCOS 8 G&R/SSL OPTION	1
	COBC201-0000	COBOL 74/85 COMPILER & RUNTIME	1
	DBDC201-0000	IDS-II COMPREHENSIVE FACILITY	1
	DBDC202-0000	INTEREL COMPREHENSIVE FACILITY	1
	DBDC203-0000	DBSP-OA CLIENT MODE ACCESS	1
	DISC202-0000	DPF8-DS	1
	DVSC023-VS90	MONO SYS. LIC. VS9000-P026	1
	EDGC201-0000	INFOEDGE COMPREHENSIVE FACILITY	1
	EDGC202-0000	EDIT8	1
	EDGC203-0000	MAIL8	1
	EXSC201-0000	GCOS8 SR6 BASE SYSTEM	1
	EXSC201-M000	DPS9000/TAXX PRODUCT SET	1
	EXSC202-0000	GCOS 8 SR6 EXECUTIVE	1
	EXSC203-0000	GCOS8 SR6 SYSTEM ADMINISTRATION TOOLS	1
	EXSC204-0000	GCOS8 SR6 TSS COMPREHENSIVE PACKAGE	1
	EXSC205-0000	GCOS8 SR6 COPYRIGHT CD-ROM	1
	EXSC206-0000	GCOS8 SR6 SUPPLEMENTAL SAVE TAPE COPYRIGHT	1
	FORC201-0000	FORTRAN 77 ESV C&R	1
	ISMC201-0000	OPENMASTER AGENT8	1
	MAGC203-0000	MAGNA8 TP	1
	SESC201-0000	SSM	1
	TCPC201-0000	Fast-ETL AIX	1
	TPDC201-0000	TP8 COMPREHENSIVE FACILITY	1
	TPDC208-0000	HooX GCOS8 CONNECTOR FOR COM+(TM)	1
	TPDC251-0000	TP8 CONNECT WITH TUXEDO	1
	TPDC252-0000	REVERSE TP8 CONNECT W. TUXEDO	1
	UTSC201-0000	COMPREHENSIVE SYSTEM UTILITIES	1
	UTSC203-0000	OSCAR8	1
	UTSC204-0000	TRAC	1
	UTSC206-0000	ASM-PFM	1
	UTSC208-0000	FAS	1
	UTSC209-0000	GCOS8 VIRTUAL FAST I/O	1
	UTSC210-0000	HAPS8	1
	UTSC212-0000	TMS8	1
	UTSC214-0000	CPMS8 + SYSTEM ALERT	1
	UTSC260-0000	PARK Software Set for SR6.0	1
	WEBC201-0000	WEBFORM8 PROGRAMMING TOOLS	1
	WEBC202-0000	GCOS8 TCP ACCESS/REVERSE GTEA	1

	Model Number	Description	Qty
	WEBC203-000A	GEAP FOR 01 TO 03 PLATFORMS	1
	WEBC204-000A	GTEA FOR01 TO 03 PLATFORMS	1
	WEBC204-000B	GTEA FOR04 TO 10 PLATFORMS	1
	Media Server Software		
	NS28-040204	MEDIA SERVER VIRTUO BACKUP CONFIGURATION SFR	1
	VMSC005-0000	MSV EXTENDED SYSTEM STORAGE MG	1
	VMSK003-0000	MSV EXTENDED KERNEL	1
	VMSK004-0000	MSV LIBRARY VAULTING OPTION	1
	VMSK005-0008	MSV 800 KERNEL EXTENSION	1
	EMC Subsystem Software		
	GMSC026-OCT6	SRDF CAPACITY 2.01-4.00	1
	MER2001-009E	ECCBAS CPCTY 2.01-4.00	1
	MER2001-009F	ECCSTM CPCTY 2.01-4.00	1
	GNSP Software		
	EXSG221-P000	AIX 4.3 LICENSE SUPPORT CLASS E	2
	Miscellaneous Software		
	COBC019-F000	COBOL 68 Compiler & Runtime	1
	CPXC002U0BSS	OPT BULL SW SUP CPXC001-0001	1
	CPXC002U0WSS	WANG OPTIONAL SW SUPPORT CHARGE	1
	CVDC001-0N00	DDE Basic System	1
	DBDC001-F000	I-S-P-Facility	1
	ISMJ020U0300	WANG ANN SW SUP-CPUR001-0100 &	1
	SQ9728A	TSM8 MOFIFICATION	1
	ST1441A	PASSWORD HANDING IMPROVEMENTS FOR SR6	1
	ST200CE1	TDS APPLICATION SUPPORT FAC FOR SR6	1
	ST900CF2	ENHANCED FTP8 W/JOB SPWAN FOR SR6	1
	TPDG691-0003	HOST CONNECT TIER 3	1
	DBEFHB0072-001	Database Utility	1
	Round Reel Tape Drive		
*	MTS8228	FIPS-COMPLIANT TAPE SUBSYSTEM	1
	18 Track Standalone (2) Drive		
*	CTCC001-Q200	CTS CART CTRL UNIT M20 V2	1
*	NSQ1996-037E	USED CTU6002	2
*	NSQ1996-037F	USED CTF6014	4
	Standalone Timberline 36 Track Tape 4-Transports		
*	CTFC026-QS00	SYSTEM SUPPORT UNIT (SSU)	1
*	CTFC027-Q140	1ST SINGLE ESCON CHANNEL/M34	1
*	CTFC027-Q240	2ND SINGLE ESCON CHANNEL/M34	1
*	CTFC027-Q340	3RD SINGLE ESCON CHANNEL/M34	1
*	CTFC027-Q440	4TH SINGLE ESCON CHANNEL/M34	1
*	SOM-9490M44	STK 9490M44,SUBK,NO DISC.	1
	SYSTEM HM0012		
	Central System		
	CMMC012-G000	512MB-768MB OR 768MB-1GB	1
	CMMC027-MX00	MEMORY BOARD EXCHANGE	3
	CPSC153-G000	DPS 9000/753-2 CENTRAL SYSTEM	1
	CPUC002-G000	CPU REDUNDANCY OPTION JUPITER	1
	MXFC014-G100	PCI-ESCON I/O CHANNELS AND CBLs	2
	MXUC005-G300	3RD IOSS CABINET-2	1
	MXUC006-G100	FIRST I/O SRVR CAB,PROC & CBLs	1

	Model Number	Description	Qty
	RCFC002-G200	REMOTE SYSTEM CONSOLE JUPITER	1
	MXFC013-G100	ESCONA HPIA CHAN & PSI-6	6
	EMC 8730 Disk		
	MSAC018-0C00	ESCON CHANNEL DIRECTOR 4 PORT	2
	MSAC019-0C00	REMOTE CHANNEL DIRECTOR 4 PORT	2
	MSAC020-0C00	ULTRA SCSI CHNL DIRECTOR 4 PORT	1
	MSKC072-0C00	4096 MB M3 CACHE MEMORY	1
	MSPC0890C36	MSPC089-0C36/EMC 8830-36 F/MI	1
	MSUC033-0CM1	HDA8031-36M1 35.8GB MIRROR	30
	GNSP		
	MXKC020-G200	SECOND SERVER PROCESSOR ATTACH	1
	NSKC004-0000	GRAPHICAL CONSOLE F/GNSP/E-BSP	1
	NSPC002-0000	GNSP STANDARD SYSTEM	1
	Media Server		
	CSKU101-U000	SYSTEM CONSOLE	1
	CTKC052QU00	STK L180-700 PCI FBR INTF,SUBK	1
	CTKF033S000	LIBRARY ADMIN KIT F/L700,SUBK,	1
	CTLC051Q070	L700-700 LIB W/678 CELLS,SUBK	1
	CTUC015Q040	STK9840C FIBR DRV-L180/700,SUBK	6
	MSFC036-0000	FIBER CHANNEL ENABLER F/1 IOSP	1
	MXFC016-M000	PCI FIBRE 2GBIT/S	2
	VMSC002-0000	MSV EXTENDED DISK CACHE	1
	VMSC003-0008	MSV 800 DISK CACHE EXTENSION	1
	VMSS003-0000	MEDIA SERVER VIRTUO EXTEND SYS	1
	VMSS006-0001	MSV CABINET - WHITE, 22U	1
	EMC Subsystem Software		
	GMSC026-0CT6	SRDF CAPACITY 2.01-4.00	1
	MER2001-009E	ECCBAS CPCTY 2.01-4.00	1
	MER2001-009F	ECCSTM CPCTY 2.01-4.00	1
	GCOS8 DR Software license for SR5		
	NS03-01SFR17	SR6 Annual Software License (Disaster Recovery)	1
	Media Server Software		
	VMSC005-0000	MSV EXTENDED SYSTEM STORAGE MG	1
	VMSK003-0000	MSV EXTENDED KERNEL	1
	VMSK004-0000	MSV LIBRARY VAULTING OPTION	1
	VMSK005-0008	MSV 800 KERNEL EXTENSION	1
	18 Track Standalone (2) Drives		
*	NSQ1998-065A	USED CTS6510	1
*	NSQ1998-065E	USED CTU6002	2
*	NSQ1998-065F	USED CTF6014	4
	SYSTEM UP0913		
	CDRG017-0000	IDE INTERNAL CD-ROM DRIVE	1
	CMMG175-0000	512MB (2X256MB DIMMS)	1
	COBG083-RABA	S.EXPRS V2.2&32B DEV. KIT 1 USR	1
	COBG088-RABJ	S.EXPRV2.2&32B APPLI SRV 10STD	1
	CPUG073-0000	CPU BD W/1 PWR3-2(375MHZ)4MB L2	1
	CPXG259-0000	ESCALA PL220T SYSTEM	1
	DISC054-2000	XPRINT SERVER AIX-UNLIMITED	1
	DMUG013-0000	17"COLOR DISPLAY W/CABLES	1
	EXSG220-P000	AIX 4.3 LICENSE SUPPORT CLASS D	1

	Model Number	Description	Qty
	EXSG278-VD3A	UPGRADE LIC CLASS D TO AIX 5.1	1
	GTFG050-0000	PWR GXT135P GRAPHICS ACCELERATR	1
	HACG030-VD00	HACMP ES V4.5 CLASS D-LIC	1
	MSUG174-0000	18.2GB ULTRA SCSI DISK/NO HOT S	1
	MSUG184-0000	18.2GB ULTRA3 SCSI DISK	1
	MTUG039-0P00	20/40GB INT 4MM DAT TAPE DRIVE	1
	PSKG004-0001	US POWER SUPPLY	1
	PSSG044-0000	REDUNDANT PWR SUPPLY AC,HOT SWP	1
	UTSG041-RK00	HYPERTEXT INFORMATION BASE	1
	UTSG080-VK00	HYPERTEXT FULL LIBRARY F/AIX5.1	1
	SYSTEM UP0926		
	CDRG020-0000	IDE INTERNAL CD-ROM DRIVE	1
	COBG083-RABA	S.EXPRS V2.2&32B DEV. KIT 1 USR	1
	COBG088-RABJ	S.EXPRV2.2&32B APPLI SRV 10STD	1
	DCCG163-0000	GIGABIT ETHERNET-SX PCI-X ADAPT	3
	DMUG013-0000	17"COLOR DISPLAY W/CABLES	1
	EXSG252-P000	AIX 5.1 LICENSE SUPPORT-CLASS E	1
	EXSG271-0P00	SOFTWARE AID CLASS E PER CPU	2
	HACG030-VE00	HACMP ES V4.5 CLASS E-LIC	1
	HWKG102-1000	ESCALA PL420T PACK 240 (AIX5.1)	1
	MSUG203-0000	36.4GB ULTRA3 SCSI DISK DRV(1"/	2
	MTUG039-0P00	20/40GB INT 4MM DAT TAPE DRIVE	1
	PSSG047-0000	AC POWER SUPPLY, 645W	1
	UTSG080-VK00	HYPERTEXT FULL LIBRARY F/AIX5.1	1
	UTSG181-VA00	PERF.TOOLBOX V3.1 LIC+MED & DOC	1
	UTSG183-VA00	PERFORMANCE AIDE V3.1 - QTY 1	1
	SYSTEM EB1267		
	GLK0871UHA0L	GLINK FOR WIN PROF CORP 500 USR	1
	CDRC201-0000	GCOS8 CD-DOC ADDITIONAL COPY	2
	ST1371A	PORT GTEA-GCOS TP>SUN OS 5.6 FOR SR6	1
	ST1424A	SUBROUTINE LIBRARY - SR5.1 FOR SR6	1
	SYSTEM GL0173		
	AFFW622-TCER	AFFINITY VISUAL 32 SDK	1
	SYSTEM EB0515		
	GLK0871UHA0D	GLINK FOR WIN PROF CORP 80 USER	1
	SYSTEM JL0103		
	GHL0251ULX0U	GWEBPRO/7800 LINUX CORP 4500 SE	1
	GHL0341ULX00	GPROXYPRO LINUX SERVER LICENSE	4
	GLK0771UHA0N	GLW,CORP LIC 1500U	1
	CDRC201-0000	GCOS8 CD-DOC ADDITIONAL COPY	10
	EXSC205-0000	GCOS8 SR6 COPYRIGHT CD-ROM	1
	ST1309B	GTEA FOR HP/UX 11.0 64BIT ENV FOR SR6	1

* As of today, these items are known to have a limited duration of maintenance and will move to T&M Status as of 12/31/07.

1.3 Teradata (Formerly Contract 071B1001069)

PRICING

The following sets forth the pricing for the maintenance, Teradata Software Subscription, and Software Implementation Services pricing for the State's existing eight (8) node Teradata 5380 Production system, eight (8) node Teradata 5250 Test and DR system and the existing NCR 4400 system that had been provided under Contract 071B1001069. This pricing is provided with the understanding that such services would be provided under the terms and conditions applicable to such services that are set forth in Section 3 of this Proposal, where Section 3 of this Proposal would become an integral part of the three (3) year extension to Contract '0156.

	FY2006	FY2007	FY2008	FY2009	Total
Teradata List	2,280,405	2,348,817	2,419,282	2,491,860	7,259,959
Discount	306,161	695,250	765,715	838,293	2,299,258
Teradata Subtotal	1,974,244	1,653,567	1,653,567	1,653,567	4,960,701
Discount %	13.4%	29.6%	31.7%	33.6%	31.7%

Notes:

Bull Services has included an upgrade of the system disk drives on the Test and DR system in the above pricing. This will provide the capability for the State to move to the next version of the Teradata software, as has been requested by the State. The current system disk drives do not provide the space required to install the upgraded software.

The above pricing assumes annual payment in advance at the beginning of each fiscal year. Thus, for the current Teradata configuration, the annual payments and due dates are:

Fiscal Year	Amount	Payment Due By
2007	1,653,567	10/30/2006
2008	1,653,567	10/30/2007
2009	1,653,567	10/30/2008
Total	4,960,701	

- The above pricing does not reflect the upgrade to a new Teradata platform as proposed in Section 2. Should the State decide to elect the option defined in Section 2, and such new platform has been ordered but is not in production prior to the start of FY'07, then the State should budget, and Bull Services will bill FY'07 (per the above table) ratably, in monthly increments, for any months that the current Teradata platform is in place. If the new platform has not been ordered by the State by the beginning of FY07, then Bull Services will bill the annual amount on 10/1/2007, and will provide the State with a pro-rata credit for any portion of FY07 for which the new platform has replaced the current platform in production.

CURRENT PRODUCT LIST

Qty	Model Number	Description
NCR 8 Node 5380 System		
	Business Critical 7X24 Maintenance Services	
1	2020-1021-8090	Monitor 21 inch
1	2020-K770-0000	Power Cord US (Qty 2)
1	2020-K800-0000	Keyboard US English
1	2020-K841-0000	Ext Modem 56K U.S.
1	4072-1005-7194	4072 UPS, 1000VA, 110127V, 50/6HZ
1	4475-0550-8090	AWS MPRAS 4475
4	6000-9124-8090	WES FIBRE CHANNEL CABINET
4	6000-F033-0000	AC Distribution Box Dual
8	6000-F263-0000	Install Feature 68412456
4	6000-F924-0000	Support Cables for 6840 Array
32	6000-F951-0000	Cable; Fibre Channel LC/LC 12 Meters
8	6841-2456-8090	Quad Modular FC Array 2456
384	6841-F132-0000	36GB 15K rpm FC HD disk drive
8	6841-F206-0000	2456 Quad FC Controller w/ 1GB cache
1	6000-K933-0000	NS FC Accessories Kit for 6841
1	9130-5364-8090	NCR 5380 Quad Node System Cabinet
1	9130-5368-8090	NCR 5380 Quad Node Expansion Cabinet
4	9130-F056-0000	AC Distribution Box Dual
8	9130-F117-0000	Memory DIMM, PC2100 1 GB
8	9130-F118-0000	Memory DIMM, PC2100 2GB
8	9130-F238-0000	Adapter, PCIIntel Copper 1GB Ethernet
20	9130-F242-0000	Adapter, Quad Fiber Channel, LSI, 2 Gb
8	9130-F432-0000	DDS4 SCSI 4MM DAT SGT 20/40
8	9130-F971-0000	Cables Bynet LG Sys (Qty 2, 10M, Black)
2	9130-F984-0000	4Node NCR Cabinet Install Feature
1	9130-K936-0000	Side Panels, Stabilizers, Manuals & Accessories
1	G099-5723-0100	PM II UPS SW for UNIX MPRAS for 4072 UPS
4	F901-0042-0000	SmartClient for MPRAS UNIX
4	F901-0049-0000	VaultShare ACSLS DriveConnection License
4	F901-0102-0000	NetVault Teradata Extension MPRAS UNIX
8	G460-0282-0000	SYMplicity SM 8 for MPRAS
8	G460-0283-0000	Multipathing Software 8 for MPRAS
1	F574-0300-0000	Teradata Meta Data Services
1	F601-7730-0000	SW;EOE/MPP 8 NODES (WM 49XX, 5XXX)
1	F601-7811-0000	SW;OLTP AWS OP ENV FOR All SSeries and WM 447X
8	F785-2821-0000	Teradata V2R5.0 MPRAS 5380 (per node)
8	F790-1002-0000	Teradata Utility Pak MPP per Node
8	F790-1102-0000	Teradata Dynamic Query Manager MPP per Node

Qty	Model Number	Description
8	F790-1202-0000	Teradata Manager MPP per Node
8	F790-1302-0000	Teradata Analyst Pack MPP per Node
8	F790-1402-0000	Teradata C Preprocessor2 MPP per Node
8	F790-1502-0000	Teradata COBOL Preprocessor2 MPP per Node
8	F790-1602-0000	FastExport MPP per Node
8	F790-1702-0000	FastLoad MPP per Node
8	F790-1802-0000	MultiLoad MPP per Node
8	F790-1902-0000	Teradata TPUMP MPP per Node
8	F785-2821-A000	Teradata Subscription Renewal 5380 8 Nodes
1	Annual Software Implementation Services - 8 node 5380, BC Unlimited	
NCR 8 Node 5250 System & 4400 System		
	Enhanced 8x5 Maintenance Services	
1	2020-1701-8090	Monitor Flat panel 17 inch
1	2020-K770-V001	Power Cord US 120V
1	2020-K800-V001	Keyboard-US English
1	2020-K841-V002	External Mmodem 56K, US
1	2300-1831-8090	A18 AWS 4.0, WIN03, single processor
1	2300-K820-V001	PC-Xware
1	3030-K743-0000	MODEM EXT 56K USA/CANADA
1	3498-2294-8090	MONITOR 21IN COL. 22, TCO95
1	4071-1020-7194	1000 VA 120 V 4071 UPS2ND GENERATION
1	4082-1500-7194	1500VA, 1050W, 120VAC, 50/60 HZ, UPS
1	4082-K511-0000	PM PLUS SW FOR WIN NT, DISK
1	4400-4391-8090	WM4400D/SDW/2PIIX/1M, 1GB, 27GB
3	4400-F048-0000	BOARD, VRM
4	4400-F059-0000	POWER CORD US 120V
2	4400-F123-0000	ADPT,PCI,SGL ULTRA SCSI SE
1	4400-F130-0000	DOD/DVR,PCI,DUAL/QUAD SCSI
1	4400-F191-0000	ADPT,PCI,DUAL FDDI FIBER
1	4400-F233-0000	Eth AD ILAS8470 PRO100+ (Intel) Dual PCI
1	4400-F282-0000	SCSI Quad SE
6	4400-F357-0000	HD DISK, 18GB 10K ULTRA SCSI HP
1	4400-F611-0000	SUPPLY, REDUNDANT 420W POWER
1	4400-F700-0000	KEYBOARD US ENGLISH INTL
1	4400-F730-0000	Modem, 28.8K, Ext, US
1	4400-F781-0000	MOUSE 2 BUTTON
1	4400-F808-0000	PRELOAD CS OE
4	6000-9122-8090	WORLD MARK ENTERPRISE STORAGE CABINET
4	6000-F020-0000	DUAL UPS W/RAILS
1	6000-K930-0000	NCSC/WES ACCESSORIES KIT
8	6288-1440-8900	QUAD MODULAR ARRAY 1440
8	6288-F201-0000	DUAL ENTERPRISE CONTROLLER W/32MB CACHE

Qty	Model Number	Description
48	6288-F433-0000	QA (4) 36GB 10K RPM DISK DRIVE
3	9100-5240-8090	WM5250 DUAL NODE EXPANSION CABINET 700 MHZ
1	9100-5242-8090	WM5250 SYSTEM CAB W/BYNET V216 NODE SWITCH 700 MHZ
24	9100-F118-0000	MEMORY DIMM 1GB EDO (4X256)
8	9100-F224-0000	PCI IBM B&T CHANNEL BOARD
8	9100-F233-0000	DUAL ETHERNET PCI, 10/100
2	9100-F237-0000	ADPT ETHERNET INTEL 1 GIGBIT ETHERNET
8	9100-F282-0000	ADAPT PCI PQS2.1 QUAD SCSI UNSHARED
16	9100-F283-0000	ADAPTER PCI HPPQS 80MB/SEC
8	9100-F431-0000	Tape - 8MM 20/40GB
4	9100-F807-0000	NCR UNIX MPRAS NFS PRELOAD
32	9100-K930-0000	CABLES FOR ADAPTER PCI HPPQS
4	9100-K933-0000	CABLES & TERMINATORS BYNET V2
2	9100-K936-0000	4800-/5200 PANELS STABILIZERS, MANUALS
8	9101-F100-0000	IBM CHANNEL TAILGATE FOR TAILGATE CABINET
1	9130-F233-0000	ADAPTER, PCI INTEL PRO100+DUAL CHANNEL
4	9130-F242	ADAPTER, QUAD FIBER CHANNEL, LSI, 2 Gb
1	F041-3292-0000	Server Mngr F/Unix MP-RAS
1	F301-7510-0000	SW;HOT PLUG SUPPORT
1	G099-4713-0100	SW;PM II FOR 4052/70/71 UPS, MPRAS, CD
1	F481-6110-0000	SW;C/S OE UNLIM USR 345X.347X
1	G460-0053-0000	SW;DISK ARRAY PLUS FOR MULTIPROCESSORS
8	G460-0072-0000	SW; RAID MANAGER & RDAC 5.X FOR UNIX V.4
1	F574-0320-0000	META DATA SERVICES FOR TERADATA
1	F601-7730-0000	SW;EOE/MPP 8 NODES (WM, 49XX, 5XXX)
8	F785-2821-0000	TERADATA V2R5.0 MP RAS 5380
8	F790-1002-0000	TERADATA UTILITY PAK - MPP PER NODE
8	F790-1702-0000	FASTLOAD - MPP PER NODE
8	F790-1202-0000	TERADATA MANAGER MPP PER NODE
1	F901-0022-0000	NETVAULT ENTERPRISE FOR WINDOWS 2000
4	F901-0042-0000	SMARTCLIENT FOR PRAS UNIX
4	F901-0048-0000	DYNAMICALLY SHARED DEVICES (DSD)
1	F901-0091-0000	VAULTSHARE ENTERPRISE SERVER LICENSE WINDOWS 2000
4	F901-0102-0000	NETVAULT TERADATA EXTENSION MPRAS UNIX
8	F785-2821-S000	Teradata Subscription Renewal 5250 8 Nodes
1	Annual Software Implementation Services - 8 node 5250, Enhanced Unlimited	
	Other Software	
10	ACOBJECTCO	Object Cobol Developer Suite

1.4 Former Contracts 071B1001069 and 071B9000454

The products that were formerly under 071B1001069 and 071B9000454 are now included in this Proposal under 071B4200156 in Section 1.2.

1.5 Combined Purchase Discount

Bull Services is pleased to provide the State the following Combined Purchase Discount (“CPD”) each year under the following conditions:

The State must continue to purchase from Bull Services the GCOS Services set forth in the “AS IS” Option under Section 1.2,

The State must purchase the Teradata Services under either the “AS IS” Option in Section 1.3 or the Teradata Upgrade Option in Section 2, and

The State must purchase at least twelve 1800 hours monthly (for a minimum of twelve (12) months) for Services under Contracts ‘1139 and/or ‘1357;

in all cases for the three (3) year period through September 30, 2009.

	FY2007	FY2008	FY2009	Total
Add'l Disc for Combined Order	274,569	274,569	274,569	823,707

Notes: Early application of FY’07 Combined Purchase Discount:

Bull Services understands that the State would like to apply the above CPD to Fiscal Year 2006. Bull Services can accommodate this request by the State under the following conditions:

Bull Services receives by July 5, 2006 the additional PO for incremental FY’06 DCH services (in the amount of \$709,800)

The State issues extensions to Contracts ‘0156, ‘1139, and ‘1357 that extend their terms through September 30, 2009 and such extensions are received by Bull Services by September 30, 2006.

The conditions for the CPD are all met. This is subject to a reversion agreement under which, should the State not meet the requirements of the Combined Purchase Discount in each applicable fiscal year, Bull Services would invoice the State and the State would pay an amount equal to \$274,569.

The \$274,569 CPD for FY'07 should not be netted against any Purchase Order issued by the State for FY'07 GCOS or Teradata Services under contract '0156, nor netted against any payment related thereto. Bull Services will issue a credit to be used for FY'06 Services.

1.6 Professional Service Rates

The following hourly Profession Services rates shall be applicable for individuals in each associated skills category:

Position Description	Rate
Data Warehouse Program Manager	\$176
Data Warehouse Project Manager	\$168
Data Warehouse Architect Principal	\$182
Data Warehouse Architect Data Modeler	\$163
Data Warehouse Architect Software Engineer	\$158
Data Warehouse Developer Senior	\$145
Data Warehouse Developer Junior	\$75
Data Warehouse - Business Analyst Senior	\$158
Data Warehouse - Business Analyst Junior	\$85
Industry Consultant - Principal	\$195
Industry Consultant - Staff	\$178

2

SOW for Optional Teradata Upgrade (Contract 071B4200156)**2. SOW for Optional Teradata Upgrade****2.1 Upgrade Pricing**

Bull Services is pleased to offer the State the following pricing on the NCR 5450 upgrade configuration as requested by the State at a substantial discount from NCR's list price, where such pricing assumes that the terms and conditions in this SOW, inclusive of the terms in Section 3 of this Proposal are made part of Contract '0156 as well as the other terms and conditions already contained in Contract '0156 would apply.

	FY2007	FY2008	FY2009	Total
Acquisition Costs	6,005,478			6,005,478
Installation, data migration and project management costs	266,824			266,824
Production System				
7x24 Business Critical Maintenance & Software Implementation Services	597,715	801,523	801,523	2,200,761
Software Subscription	312,000	312,000	312,000	936,000
Disaster Recovery System				
8x5 Base Maintenance & Software Implementation Services	551,238	551,238	551,238	1,653,715
Software Subscription	288,000	288,000	288,000	864,000
List Subtotal	8,021,256	1,952,761	1,952,761	11,926,777
Discount	4,116,370	628,514	628,514	5,373,397
Data Warehouse Platform Upgrade	3,904,886	1,324,247	1,324,247	6,553,380
Discount %	51.3%	32.2%	32.2%	45.1%

Bull Services is proposing a Production System upgrade that includes the replacement of the current eight (8) node 5380 system with a new eight (8) node 5450H system with 48 disks per node of 73.4 GB per disk drive.

Please note that the above prices include Remedial Maintenance on the State's existing NCR 4400 which is used with the Test and DR system.

The proposed configuration results in the following disk capacity:

# of Nodes	GB per Disk Drive	# of Disk Drives per Node	Total Raw Spinning Disk Space (TB)	Max Usable Disk Space After RAID1 (TB)
8	73.4	48	28.186	14.1

*Please note that we are providing more usable disk space after RAID1 than the “Max usable disk (because of RAID1) 12.9TB” defined in the State’s requirement. We believe that the 12.9TB number is an inadvertent error and is calculated based on only 44 disk drives per node and not 48 disk drives per node.

Should the State wish to explore a different configuration/size for a replacement Teradata Platform, Bull Services would be pleased to provide such quotation under the same terms as outlined in this Proposal.

In addition, the State did not specify what was to happen with the existing Production and Test and Disaster Recovery (“DR”) systems. As the basis for this Proposal, we have made two assumptions:

First, we have assumed that the State will migrate the existing 5380 system to be a replacement for the State’s existing eight (8) node 5250 Test and DR system and to subsequently retire the 5250 Test and DR System.

Second, we assumed that the 5380 will be maintained at a Base level of maintenance.

Since these assumptions have a material effect on this Proposal, we ask that the State confirm these assumptions.

A detailed summary of the Teradata upgrade can be found in Section 2.2.

This pricing option assumes that the State orders and completes the installation and acceptance of the new Teradata equipment prior to the start of FY2007. However, the above pricing is valid as long as the State orders the above option prior to September 30, 2006 and that acceptance occurs on or prior to December 31, 2006.

Should the State elect the above option, and such new platform has been ordered but is not in production prior to the start of FY’07, then the State should budget, and Bull Services will bill FY’07 per the table in Section 1.3 ratably, in monthly increments, for any months that the current Teradata platform is in place. If the new platform has not been ordered by the State by the beginning of FY’07, then Bull Services will bill the annual amount on 10/1/2007, and will provide the State with a pro-rata credit for any portion of FY’07 for which the new platform has replaced the current platform in production.

2.2 Teradata Upgrade Detail

The proposed Teradata Production system upgrade configuration is an eight (8) node 5450H system with the following characteristics:

- Two 3.8 GHz processors per node
- 4 GB of memory per node
- 48 disks of 73.4 GB per node
- Total spinning Disk Capacity of 28.186 TB
- Max usable disk (because of RAID1) 14.1 TB

2.2.1 Proposed Upgrade Approach

Bull Services' proposed upgrade approach includes the following components (exact schedule and timeline to be established by mutual agreement)

PRODUCTION SYSTEM

Receive, unpack, and install the new 5450 system in the State's Production data center

Approximately one (1) week of initial platform test and burn-in

Perform automated migration of the data on the State's current 5380 Production system to the new 5450 system (data migration – test) during a weekend period

Test the 5450 system with a copy of the State's current Production data – acceptance test period to be mutually agreed upon, but shall not exceed a thirty (30) day period

Automated migration of the data on the State's current 5380 Production system to the new 5450 system (data migration – production) – will occur over a weekend period

Final pre-production test followed immediately by establishing the new 5450 as the production system

After a period of approximately one (1) week when the 5380 system will remain available as a fallback, the 5380 system will be deinstalled, packed, and shipped to the State's Test/DR data center

TEST AND DR SYSTEM

Receive, unpack and install the repurposed 5380 system in the State's Test/DR data center

Approximately one (1) week of initial platform test and burn-in

Perform automated migration of the data on the State's current 5380 Test and DR system to the repurposed 5380 system (data migration – test) during a weekend period

Test the 5380 system with a copy of the State's current Test and DR data – acceptance testing period to be mutually agreed upon but shall not exceed a thirty (30) day period

Perform automated migration of the data on the State's current 5250 Test and DR system to the 5380 system (data migration – production), which will occur during a weekend period

Final pre-production test followed immediately by establishing the 5380 as the Test and DR system

After a period of approximately one (1) week when the 5250 system will remain available as a fallback, wipe the 5250 disk drives to remove all data and deinstall, pack, and ship the system to a location defined by Bull Services

2.2.2 Proposed System Configuration Detail

The following table provides a line item description of the proposed eight (8) node 5450 Teradata upgrade system:

Qty:	Product ID:	Description:
Hardware		
1	2020-1701-8090	Monitor 17" LCD Flat Panel
1	2020-K770	Power Cord US (Qty 2)
1	2020-K800	Keyboard US English
1	2020-K841	Ext Modem 56K U.S.
1	2300-1831-8090	A18 AWS WS03 1-20 nodes
1	2300-K820	PC-Xware for Microsoft Windows
1	4072-1005-7194	4072 UPS, 1000VA, 110-127V, 50/6HZ
4	6100-1000-8090	NCR Enterprise Storage Cabinet
4	6100-F031	AC Distribution Box - 30 AMP North America
8	6100-F266	Installation Feature - 6842-1000 Array
1	6100-F503	3G Server Management
3	6100-F941	2U Filler Panel
32	6100-F953	Cables, Fibre Channel LC/LC, 15 Meters (Qty 2)
1	6100-K933	NS Fibre Channel Accessory Kit
8	6842-1000-8090	Quad Modular Fibre Channel Array
384	6842-F133	73GB 15K RPM FC Disk Drive
8	6842-F406	Fibre Channel Controller with 1GB Cache (5885)
8	6842-F407	Data Availability Protection
1	9140-5454-8090	NCR 5450H 8-Node System Cabinet w/BYNET V3 Switch
		Bundled offering:

Qty:	Product ID:	Description:
8	9140-F021	5450H Node Chassis
16	9140-F354	73GB 10K RPM U/W Hot Plug Hard Drive
1	9140-F053	AC Dist Box-50A, N. American (RussellStoll)
8	9140-F122	Memory DIMM, DDR1 - 4GB
8	9140-F234	Adapter - Intel PRO1000MT, 1Gb copper, 2 port (LP)
16	9140-F243	Adapter - PCIX Quad Fiber Channel, LSI, 2Gb
4	9140-F244	Adapter - PCIX Dual Fiber Channel, LSI, 2Gb
1	9140-F432	4MM DDS-4 20/40 GB Tape
1	9140-F887	NCR Install Feature, 8-nodes
1	9140-K936	System Kit
Software		
1	F601-8040-0000	EOE/MPP 8 Node License - MP-RAS 3.03
8	F788-2823-0000	Teradata V2R6.1 MP-RAS 5450H (per node)
8	F793-1002-0000	Teradata Utility Pak - MPP per node
8	F793-1102-0000	Teradata Dynamic Workload Manager - MPP per node
8	F793-1202-0000	Teradata Manager - MPP per node
8	F793-1302-0000	Teradata Analyst - MPP per node
8	F793-1402-0000	Teradata C Preprocessor2 - MPP per node
8	F793-1502-0000	Teradata COBOL Preprocessor2 - MPP per node
8	F793-1602-0000	FastExport - MPP per node
8	F793-1702-0000	FastLoad - MPP per node
8	F793-1802-0000	MultiLoad - MPP per node
8	F793-1902-0000	Teradata TPUMP - MPP per node
1	F884-4025-0000	AWS Application Software for WS03
1	F884-4050-0000	Open Source Tool Set for Windows
1	F884-4060-0000	Open Source Tool Set for MP-RAS 3.03
1	F901-0023-0000	NetVault Enterprise for MP-RAS UNIX
4	F901-0042-0000	SmartClient for MP-RAS UNIX
4	F901-0049-0000	VaultShare ACSLS Drive-Connection License
1	F901-0092-0000	VaultShare Enterprise Server License - MP-RAS UNIX
4	F901-0102-0000	NetVault Teradata Extension - MP-RAS UNIX
1	F901-0ADD-0000	NetVault - Add to Existing System
8	G460-0290-0000	SYMplicity 9.10 for MP-RAS
8	G460-0291-0000	Multi-Pathing Software 8.43 for MP-RAS UNIX

2.2.3 Teradata Upgrade Services

The proposed Teradata 5450 upgrade includes the following associated services:

ONE-TIME SERVICES

Install the 5450 system in the production data center

BAR services (mini) to reconfigure the BAR solution to support the 5450 platform

Data Migration services to migrate a complete copy of the data from the existing 5380 system to the new 5450 system (Teradata NPARC Service), including:

One (1) test data migration (to provide a test environment on the 5450)

One (1) production data migration (to migrate the data immediately prior to placing the 5450 system in production)

ONGOING SERVICES

Teradata Software Subscription

NCR Business Critical 7 x 24 Remedial Maintenance (this is in lieu of any warranty, as the level of service included with the manufacturer's warranty is not sufficient for the purposes for which the State will make of the Teradata upgrade)

Software Implementation Services (Business Critical, Limited)

BAR Software Implementation Services (Business Critical, Limited)

2.2.4 Test and Install the DR System Upgrade

Upon completion of the production data migration on the new 5450 system, Bull Services will provide the following services to establish the State's existing eight (8) node 5380 system as the new Test and DR system (as a replacement for the State's existing eight (8) node Test and DR system):

ONE-TIME SERVICES

Pack and ship the 5380 system to the alternate data center

Install the 5380 system in the alternate data center

BAR services to reconfigure the BAR solution to support the relocated 5380 platform

Data Migration services to migrate a complete copy of the data from the existing 5250 system to the relocated 5380 system (Teradata NPARC Service), including:

One (1) test data migration (to provide a test environment on the 5380)

One (1) production data migration (to migrate the data immediately prior to placing the 5380 system in production)

Deinstall and remove the State's existing 5250 platform (including disk wiping)

Ongoing Services for the 5380 system:

- Teradata Software Subscription
- NCR Base 8 x 5 Remedial Maintenance
- Software Implementation Services (Base, Limited)
- BAR Software Implementation Services (Base, Limited)

2.2.5 Project Management

As we have proposed and the State has contracted for in past Teradata upgrade projects, Bull Services will provide the services of a Project Manager (and associated resources) to assist the State in managing the Teradata Upgrade project (and the migration of the current Production system to replace the current Test and DR system). Bull Services is well qualified to provide these services and is experienced with the State's environment and resources. Bull Services' Project Manager will be responsible for activities such as the following, as may be mutually agreed upon:

- Develop master project plan and schedule

- Project Manage the installation, data migration, testing and relocation activities for both the Production system and the Test and DR system

- Project Manage the development of operational procedures for the new Production system and the new Test and DR system

- Other services as mutually agreed

Bull Services will provide up to 550 hours of Project Management services with the option for the State to purchase additional hours as may be required.

2.2.6 Optional Services

In conversations with the State regarding the 'go forward' strategy for the Teradata system, several additional services have been requested. We are providing a quote for those services in this section for the State's consideration of inclusion in any purchase order to be issued under Contract '0156. Please note that the price for these optional services have not been included in the pricing for the Teradata Upgrade Option.

The following services may be ordered individually or collectively either as part of the Teradata Upgrade or to supplement support of the current environment:

- A) Services to perform a Teradata Performance & Workload Management Audit to identify performance bottlenecks and workload management issues and to recommend alternative solutions

- B) A Teradata Education Credit to be used by the Customer for Teradata Education as provided by Teradata
- C) One (1) year of Managed Services provided by two (2) Teradata Customer Services Consultants. The Managed Services shall be provided at the Customer's site, on a forty (40) hour per week basis for each consultant. As part of the Managed Services, the Consultants will provide operational services in support of Customer staff, and will perform the services at the direction of the Customer.

The Managed Services shall include services associated with, but not limited to the following:

System Reporting - System-level activities to analyze system component performance, profile workloads, and ensure adequate capacity

- (a) System Analysis
- (b) Workload Profiling
- (c) Capacity Analysis

System Management - Day-to-day administrative functions to ensure proper user access and to manage both planned and unplanned downtime

System & Database Administration

BAR

- D) A two (2) week on-site mentoring session to be scheduled as mutually agreed by Bull Services and the State.

The following table provides pricing for each of the four services described under "Optional Services" immediately above:

Description	Price
Teradata Performance & Workload Management	35,000
Teradata Education Credit	30,000
Managed Services - One Year	647,000
Two (2) week on-site Mentoring Session	17,650

TRADE-IN OF 5250 SYSTEM

Due to the age of the 5250 platform and the wide availability of used equipment in the market, the 5250 system has no resale value and Bull Services' Proposal includes the services required to scrap the 5250 platform upon its shipment from the State facility.

2.3 State Resources

RESOURCES NEEDED TO UPGRADE THE TERADATA PLATFORM

The proposed upgrade is specifically designed to have a minimal level of impact on the State and is based on a proven approach that we have used for previous State Teradata hardware/software upgrades and that has been used at a wide-range of other Teradata sites. The majority of the State's effort will be directed towards testing to confirm that the State's environment is operating correctly on the new software. Since we cannot predict at what level the State will test, it is not possible to give a specific resource estimate. We believe that the State can reliably use the effort it expended in the last upgrade as a good baseline.

The following is an overview of the steps in the proposed Teradata Upgrade process:

- 1) When the new 5450 is installed, it will have an upgraded version of the Teradata software that is currently running on the State's system (assuming that the State does not undertake a Teradata upgrade on the production system prior to installing the new 5450 system). Once the new system is installed, Bull Services will migrate a copy of all of the State's data from its current production system to the new 5450 system (the test data migration). This will relieve the State of the need to create a special test database and to extract and load that database to test the new Production system. It will also provide the State a test environment on the new 5450 Production system that is equivalent to its then current production environment (on the 5380 system).

Once the data has been migrated in a test mode, the State can then test both the new hardware and the upgraded software with the State's full database for an agreed upon period of time prior to using the new system in a production environment. This will provide the State with a low-risk approach for migrating to the upgraded Teradata software and for testing the new hardware platform. This same approach was used very successfully when the State replaced the then eight (8) node 5250 system with the then new eight (8) node 5380 system.

After the State completes its testing on the new 5450 system, a second data migration (the production data migration) will be undertaken. Upon completion of that production data migration, the new 5450 system will be placed into production.

After a period of about one week, during which the old 5380 production system will remain available as a fallback option, the 5380 system will be deinstalled, packed, and shipped to the State's alternate data center. Upon arrival at the alternate data center the system will be unpacked and reinstalled. Once installed, Bull Services will undertake the same dual migration approach as used for the production system. However, in this case, the 5380 system software will be upgraded prior to migrating any data from the then current Test/DR system to the new 5380 Test/DR system.

As with the production migration process, this proposed Test/DR migration process will relieve the State of the need to create a special test database and to extract and load that database to test

the new Test/DR system and will provide the State an environment on the new 5380 Test/DR system that is equivalent to their then current Test/DR environment (on the 5250 system).

This approach will additionally relieve the State of the need to perform Teradata software upgrades to the current Production and Test/DR systems as the new 5450 system will come installed with the then current version of Teradata. Bull Services will upgrade the software on the new 5380 Test/DR system to the then current version of Teradata after installing the system in the alternate data center and prior to the first test data migration.

With this proposed approach, the State would not be undertaking any more work than would normally be undertaken for a typical Teradata upgrade (which is currently being planned for both of these systems).

RESOURCES NEEDED TO SUPPORT AND MAINTAIN THE NEW TERADATA PLATFORM

Based on both Bull Services' and Teradata's experience at other accounts, we do not believe that the proposed upgrades to either the Production system or the Test/DR system will require any increase in support requirements. In fact, some of the tasks the State currently performs may be easier to accomplish due to additional and upgraded capabilities that will be available with the upgraded versions of Teradata. A key strength of Teradata is the automation of many of the administrative function that negates the need to add additional support resources as the workload grows.

3

Contract Terms and Conditions to be Added to Contract 071B4200156

3. Contract Terms and Conditions

The following terms and conditions would become an integral part of Contract '0156 and would apply to the services proposed for either the installed Teradata products or, if the optional upgrade is elected, then to the upgraded Teradata products, as applicable.

3.1 Remedial Maintenance Services

This Section 3.1 defines the terms and conditions associated with the Remedial Maintenance Services for the State's Teradata hardware and software. Bull Services will provide Remedial Maintenance Services using the Teradata Enterprise System Support (ESS) Services program. ESS is part of the Solution Expert tier of the Teradata Customer Services offer portfolio and includes ESS Base, ESS Enhanced, and ESS Business Critical service levels. Each service level is noted and lists all of the deliverables for that level. A comprehensive description of all service features is included after the definition of each service level.

Bull Services will provide the following level of services under this Proposal:

AS-IS Scenario

- 5380 Production System – Business Critical 7x24
- 5250 Test and DR System – Enhanced 8x5
- 4400 – Enhanced 8x5

Teradata Upgrade Options

- 5450 Production System – Business Critical 7x24
- 5380 Test and DR System – Base 8x5 (repurposed)
- 4400 – Base 8x5

3.1.1 ESS - Base

ESS Base service combines quality software and hardware maintenance and support with reactive incident management. In the event of failure, Base service provides the customer with rapid restoration of their system to an operational level. With Base service, Teradata utilizes our highly developed processes, focused resources and experience supporting highly available systems to deliver:

- Proactive, Preventive and Predictive Support via Teradata Vital Infrastructure
 - Electronic Fault Notification
 - Configuration Monitoring
- Hardware Services
 - 7x24 Remote Hardware Diagnostics
 - On-Site Hardware Support 7x24
 - Installation of Hardware Engineering Changes
- Software Services
 - Access to Software Patches and Maintenance Releases via *Teradata @ Your Service*
 - Remote Installation Assistance for Software Patches and Maintenance Releases
- 24 Hour Incident Reporting
 - Unlimited Phone Access to Teradata Service Center
 - Unlimited Web Access to *Teradata @ Your Service*
 - Customer Defined Call Priority
 - Customer Support Representative Responds to Calls
- Flexible Coverage and Response Times
 - 2 Hour Remote Response Time for Phone & Web Requests
 - 4 Hour Priority 1 Hardware On-Site Response
 - Next Business Day Priority 2/3 Hardware On-Site Response
- Remote Connectivity
 - High Speed Business to Business VPN
- Service Enhancements – Optional Services
 - On-Site Hardware Support 8 a.m. to 5 p.m. Monday - Friday, excluding Teradata Holidays with 8 Hour Priority 1 On-Site Response
 - Parts On-Site

Customer benefits from ESS Base service include:

- **Direct Access to a Customer Support Representative.** Base customers are given a unique Personal Identification Number (PIN) that allows them to connect directly to a Customer Support Representative in the Teradata Service Center.
- **Expedited Resolution Time.** Our expertise, tools and processes, and effective use of knowledge systems have earned us a reputation for providing high quality support.
- **Customer-defined Call Priority.** Customers determine the priority of the call so that we address their most critical needs first.
- **Cost-Effective Service Solution.** ESS Base provides reactive service at a very reasonable price to keep customer systems running during peak operating hours.
- **Improved Productivity of Internal Resources.** By allowing Teradata to concentrate on the services we can best provide, customers can focus their resources on their business objectives, customers and market opportunities.

3.1.2 ESS - Enhanced

ESS Enhanced service provides the customer with greater access to the Teradata Proactive Tool set within Teradata Vital Infrastructure services. Teradata Proactive Tools help provide higher system availability by identifying potential problems early so preventive or corrective actions can be taken before system availability is impacted. Enhanced service ensures a rapid response in the event of a failure. With customized Support Plans, Software Patch management Service Performance reporting, ESS Enhanced service delivers focused system support ensuring high levels of system availability.

With ESS Enhanced service from Teradata, we utilize our highly developed processes, focused resources and experience supporting highly available systems to deliver:

- Proactive, Preventive and Predictive Support via Teradata Vital Infrastructure
 - Electronic fault notification
 - Configuration Monitoring
 - Quarterly System Health Checks via Teradata Proactive Tools
- Software Patch Management
 - Semi Annual Software Patch Recommendations
 - Remote Installation Assistance for Software Patches and Maintenance Releases
- Hardware Services
 - 7x24 Remote Hardware Diagnostics
 - On-Site Hardware Support 7x24

- Installation of Hardware Engineering Changes
- Software Services
 - Access to Software Patches and Maintenance Releases via *Teradata @ Your Service*
- 24 Hour Incident Reporting
 - Unlimited Phone Access to Teradata Service Center
 - Unlimited Web Access to *Teradata @ Your Service*
 - Customer Defined Call Priority
 - Customer Support Representative Responds to Calls
- Flexible Coverage and Response Times
 - 1 Hour Remote Response Time for Phone & Web Requests
 - 4 Hour Priority 1 Hardware On-Site Response
 - 8 Hour Priority 2/3 Hardware On-Site Response
- Customer Support Plan
 - Clearly Defined Support Responsibilities and Processes
- Annual Support Reviews
 - Service Performance Reporting and Recommendations
- Remote Connectivity
 - High Speed Business to Business VPN
- Service Enhancements – Optional Services
 - 8 a.m. to 5 p.m. Monday - Friday, On-Site Hardware Support
 - 2 Hour On-Site Priority 1 Response Upgrade
 - Parts On-Site
 - Dedicated On-Site Resource – Technical Expert Annuity Services

Customer benefits from ESS Enhanced service include:

- **Reductions in Costly Downtime** through the delivery of proactive, predictive and preventive support. Our expertise, tools and processes help customers manage the availability of their data warehouse.
- **Service Delivery that Addresses Customer Specific Availability Requirements.** Our clear understanding of the customer's system, business and availability requirements ensures quality support execution tailored to their specific environment.
- **More Time to Focus Their Resources on Their Business.** By allowing Teradata to concentrate on the services we can best provide, customers can focus their resources on their business objectives, customers and market opportunities.

3.1.3 ESS - Business Critical

ESS Business Critical service is a specifically designed for systems that operate in an environment that demands high availability. This premium service provides the people, processes and tools to deliver maximized system availability by focusing on problem prediction and prevention. In the event of a system failure, Teradata works rapidly to restore a customer system to an operational level, limiting downtime.

Business Critical service provides the customer with the highest level of access to the Teradata Proactive Tool set within Teradata Vital Infrastructure. Teradata Proactive Tools help provide higher system availability by identifying potential problems early so preventive or corrective actions can be taken before system availability is impacted.

Every Business Critical customer has an assigned support representative who is familiar with the customers system and availability needs and is intently focused on problem prediction and prevention.

Utilizing customized Support Plans, frequent System Availability reporting and a personalized support team, ESS Business Critical service delivers focused system support ensuring the highest levels of system availability.

With ESS Business Critical service from Teradata, we utilize our highly developed processes, focused resources and experience supporting highly available systems to deliver:

- Proactive, Preventive and Predictive Support via Teradata Vital Infrastructure
 - Electronic fault notification
 - Configuration Monitoring
 - Bi-Weekly System Health Checks with Teradata Proactive Tools
- Change Control Management
 - Change Plans for Software Patches, Maintenance & Minor Releases and Hardware Engineering Changes
- Software Patch Management
 - Monthly Software Patch Recommendations
 - Routine review of Critical Patches
 - Installation of all Minor, Maintenance and Patch Software Releases
- Hardware Services
 - 7x24 Remote Hardware Diagnostics
 - 7x24 On-Site Hardware Support
 - Installation of Hardware Engineering Changes
- Software Services
 - Access to Software Patches and Maintenance Releases via *Teradata @ Your Service*

- 24 Hour Incident Reporting
 - Unlimited Phone Access to Teradata Service Center
 - Unlimited Web Access to *Teradata @ Your Service*
 - Customer Defined Call Priority
 - Customer Support Representative Responds to Calls
- Flexible Coverage and Response Times
 - 15 minute Remote Response Time for Phone & Web Requests
 - 2 Hour Priority 1 Hardware On-Site Response
 - 4 Hour Priority 2/3 Hardware On-Site Response
- Customer Support Plan
 - Clearly Defined Support Responsibilities and Processes
- Semi Annual Support Reviews
 - Service Performance Reporting and Recommendations
 - System Availability Reporting
- Personalized Support Team
 - Assigned Support Focused on Maximizing System Availability
- Service Enhancements – Optional Services
 - 8 a.m. to 5 p.m. Monday - Friday, On-Site Hardware Support
 - Parts On-Site
 - Dedicated Onsite Resource – Technical Expert Annuity Services
- Remote Connectivity
 - High Speed Business to Business VPN

Customer benefits from Business Critical service includes:

- **Personalized System Availability Management** through change control, availability reporting and patch installation. Assigned support representatives have a clear understanding of the customers system, business and availability requirements to ensure quality support execution tailored to their specific environment.
- **Reductions in Costly Downtime** through delivery of proactive, predictive and preventive support. Our expertise, tools and processes help customers manage the availability of their IT systems.
- **More Time to Focus Resources on Their Business.** By allowing Teradata to concentrate on the services we can best provide, customers can focus their resources on their business objectives, customers and market opportunities.

3.1.4 Scope of Service

3.1.4.1 Preventive, Proactive and Predictive Support with Teradata Vital Infrastructure

In order for Teradata to deliver all of the services to provide Preventive, Proactive and Predictive support, it is necessary for the Customer to provide Teradata remote connectivity and install the Proactive Support Tools portion of Teradata Vital Infrastructure. See Remote Connectivity section in this document for a description and the requirements.

ELECTRONIC FAULT NOTIFICATION

With high-speed remote support connectivity and Teradata's Proactive Tools enabled on a customer system, a range of hardware and software faults will be automatically detected and passed electronically to Teradata. In the event that a tool detects a situation that exceeds a predetermined threshold, it will automatically send a fault alert to a Teradata Service Center and problem resolution activities will begin. If the fault alert requires action that impacts a customer system, a technical support representative will also be notified (depending on service level).

Teradata's proactive event detection tool transparently monitors the system for faults and immediately notifies the Teradata support organization if and when a fault occurs. The fault notification provides the error and supporting information so a Customer Support Representative can efficiently resolve the issue.

The benefits from automated fault detection include the following:

- Quicker detection of issues
- Accurate fault information is automatically available for faster problem diagnosis and resolution
- Faster resolution time due to proactive monitoring the system and "calling in" some faults

Many faults will be detected proactively prior to any noticeable impact to the customer's business operations. Any necessary on-site hardware or software support activities can then be scheduled during contracted on-site coverage hours and around the system availability requirements of the customer's end users and critical applications. Remote software management activities can also be scheduled to minimize the business operations impact.

In those instances where the proactive alert result in a recommended system change beyond the scope of ESS, such as expanding the system to add capacity, those services will be provided at the then-current prices.

Disk Storage Diagnostic Enhancements - Disk Storage Diagnostic Enhancements is a Teradata Proactive Tool designed to increase LSI Logic disk storage availability. Once installed on the

system, alerts will be generated when certain disk drive thresholds are exceeded. This enhanced ability to identify and avoid disk drive problems early results in less system downtime. The alerts are instantly uploaded to the electronic fault notification administration module and sent to Teradata.

CONFIGURATION MONITORING

With the Teradata Proactive Tools installed, Teradata continuously monitors Customer's system configuration collecting and storing detailed support related system data to aid in problem resolution. Any necessary on-site hardware or software support activities will be scheduled around the customer's system availability requirements.

3.1.4.2 State of Health Reporting - Bi-Weekly for Business Critical, Quarterly for Enhanced

Another key part of the Teradata Proactive Tool set is a system health check, often referred to as a State of Health check. This tool performs a check on the customer's total system on a bi-weekly basis for Business Critical and a quarterly basis for Enhanced. State of Health Reporting is a proactive maintenance activity that identifies potential problem areas where errors have not reached system-defined thresholds and are currently recoverable. The State of Health Report will be made available to the Customer through *Teradata @ Your Service* ** where available.

The health check will review the following to identify potential errors and recommend resolutions:

- System error logs (e.g., SCSI resets, disk errors, memory errors)
- System configuration data
- Disk and RAID subsystem configuration, capacity and usage
- LifeKeeper error logs
- Processor, controller and network interface status
- Communication logs
- Teradata database logs

Benefits to the customer from State of Health Reporting include the following:

- Early identification of potential problems
- Avoiding and/or minimizing any impact on system availability
- Proactive scheduling of corrective actions

The system health check proactive tool lets Teradata set thresholds for key system resources. The tool compares the actual data to their associated thresholds and generates a detailed State of Health Report.

The Report is forwarded to a Teradata Service Center where a highly experienced support analyst evaluates the findings. Using their systems management experience, the support representative interprets the events and provides recommendations. In those instances where the State of Health Report results in a recommended system change beyond the scope of ESS, such as expanding the system to add capacity, those services will be provided at the then-current prices.

**** For Customers without access to the State Of Health Reporting feature of *Teradata @ Your Service*. Teradata will develop and provide the State of Health Report to the customer at the appropriate interval.**

3.1.4.3 Change Control Management for Business Critical

Change Control Management is the planning and review process feature of Business Critical Support. This service helps customers avoid unplanned downtime due to the implementation of system changes including:

- Software fixes, patches(n), maintenance (Z), and minor releases (Y)
- Hardware engineering changes for Teradata-supported hardware
- Changes required to complete a hardware repair

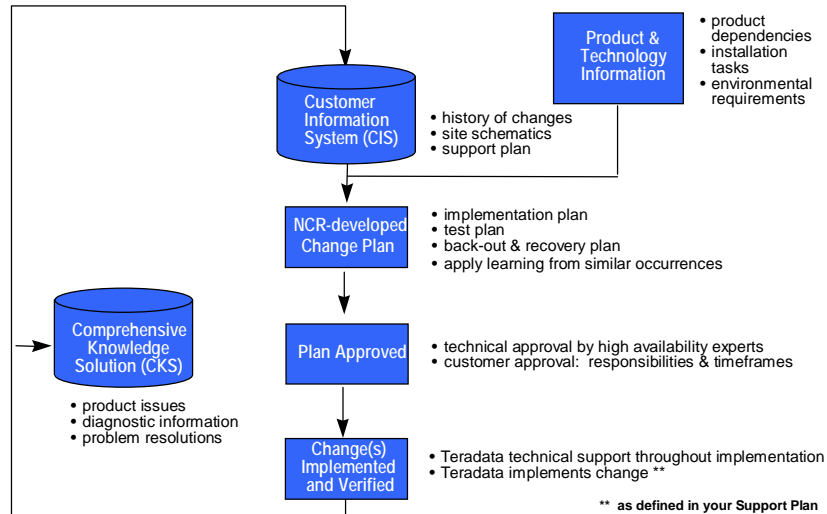
Teradata will document a plan that outlines the implementation, test, back-out and recovery plans for changes affecting a customer's Teradata-supported system, based on research of similar change activities across the entire Teradata install base. Additionally, Teradata will incorporate the customer's site-specific details, determine resource requirements, assess risks and develop contingencies to mitigate those identified risks. Benefits to the customer from Teradata's change management processes include the following:

- Minimizing risks to availability when implementing a change
- Identifying the detailed steps required to complete the change
- Learning from previous experiences of similar changes
- Ensuring adequate test, acceptance and contingency (back-out) plans are available

The plan also outlines the responsibilities of both the customer and Teradata in implementing the change. Further, Teradata provides remote technical assistance throughout the implementation during contracted hours of coverage. On-site support is provided at Teradata's discretion during hours of coverage. Any support provided outside these hours of coverage may be at an additional charge.

All Teradata-developed change plans are submitted to Customer for agreement before being sent for review and technical approval by product specialists in our managed services. Once reviewed and updated (if necessary), the change(s) will be implemented at a time that is mutually agreed upon. Additionally, Teradata will arrange to have appropriate product support subject matter

experts alerted of the change and ready to provide support should a problem occur. This process is illustrated in the graphic below:



Teradata requires 14 days advance notification of a change to develop the change control plan. Change control plans requested with less than 14 days notice are subject to additional charges at then-current rates.

3.1.4.4 Software Patch Management

Software Patch Recommendations - Monthly for Business Critical, Semi Annual for Enhanced

Customer support representatives review the patches released, assess the customer's environment and recommend patches for implementation on a Monthly basis for Business Critical service and a Semi Annual basis for Enhanced service. Through Teradata Proactive Tools, Teradata monitors a customer's system configuration. As new maintenance releases and fixes or patches (Z and n) are released for the Teradata-supported software in the customer's configuration, Teradata reviews the newly released patches and recommends patches that should be applied proactively to avoid possible failures.

The customer will also have unlimited access to *Teradata @ Your Service - Support Link* where the customer can obtain software patches and maintenance releases for some customer installable products directly from this web site or, at the customer's request, Teradata will provide a single media copy at no additional charge. For software patches and maintenance releases that cannot be directly downloaded, the necessary order information will be provided in *Teradata @ Your Service*. The customer may replicate and/or apply the patches or maintenance releases for each copy of the software to which it pertains, and for which the customer have paid the applicable fees and licenses.

Benefits to the customer from the proactive software patch management service include:

- A reduction in the number of potential system problems
- Increased staff productivity by freeing them to focus on core business activities

Software maintenance releases will be provided quarterly (or as available) for all Teradata-supported software products. A maintenance release may contain additional patches that have not been supplied as part of Teradata's recommended patch activities. This ensures that customer systems are always at the most current release levels for all software products and proactively corrects known software problems before they affect the availability of the system.

Routine Review for Critical Patches - Business Critical

In the event that a patch is developed for a critical problem, Teradata will review the patch information and corresponding technical alert information to determine its applicability to the customer's environment. If it is determined that the patch is a critical one for the customers environment, Teradata will notify them that the critical patch is available and provide a recommendation as to when it should be installed, based on their IT schedule.

Installation of Software Patches, Maintenance and Minor Releases - Business Critical

After reviewing all recommended updates with the customer and completing the necessary Change Control Plans for patches, maintenance and/or minor releases, a support representative familiar with the customer's environment and experienced in the software implementation will install the patches, maintenance and/or minor releases (Y, Z and n). Installation will be scheduled to minimize disruption to business operations and may be performed on-site or remotely, at Teradata's discretion.

On-site installation of minor, maintenance, patch and fix software releases (Y, Z and n) by Teradata outside the contracted on-site support coverage hours is separately chargeable at then-current rates. On-site installation of maintenance releases, software fixes and patches by Teradata at a customer's request, when the change is remotely installable, is also separately chargeable.

Additionally, installation, whether remote or on-site, of Major software release upgrades (X) by Teradata is separately chargeable at then-current rates.

Remote Installation Assistance for Software Patches and Maintenance Releases - Enhanced and Base

For customer installable products, Teradata will provide remote installation assistance for maintenance release updates (Z) and fixes or patches (n), including consultation regarding the need to implement a particular software change (maintenance release update, fix or patch) and Problem resolution assistance.

Installation of all software changes (X, Y, Z and n) by Teradata is separately chargeable at Teradata's then current rates. Any attempt by a customer to install a product themselves that is not classified, as customer installable will result in additional charges to recover the system, if Teradata assistance is required.

Patch Recommendations with the Windows Operating System

When Windows is used as the Operating System for Teradata, Windows service packs and hotfixes will be included as part of the Software Patch Recommendation and Critical Patch Review. This policy also applies to Windows application components that are required to run Windows as the Operating System for Teradata. Prior to Teradata making a recommendation to the customer, Teradata Engineering must certify the service pack or hotfix.

Windows Software Certification Process

The Windows Software Certification Process ensures that non-Teradata software will not cause problems and affect the availability of customers Teradata system. The service pack and hotfix is the Windows naming for software fixes, following Teradata standards, a service pack is a maintenance release (Z) and a hotfix is a patch (n). Teradata will not make recommendations to customers for Microsoft hotfixes or service packs before Teradata Engineering completes the following certification process:

- › **After the final Microsoft release begin reviewing the hotfix or service pack**
- › **Acknowledge the hotfix is applicable**
- › **Perform successful integration testing of the hotfix or service pack**
- › **Develop the installation guidelines to apply the hotfix or service pack**
- › **Provide the certification to the Teradata Service Centers and Customer Service Representatives**
- › **All software will be provided by the Teradata Service Center from "gspatch" to ensure certification.**
Note: "gspatch" is available on www.TeradataAtYourService.com – My Support Link by selecting Patches

When dealing with service packs, Microsoft may provide early releases. Teradata will attempt to work with the early release as much as possible to gain early exposure to them, but Teradata will only provide certification for the final service pack release.

Teradata targets but does not guarantee a resolution time for finishing the certification process. Hotfixes are examined on a case-by-case basis and prioritized based on the potential impact to a Teradata system, defined as:

- › **To address a critical issue affecting Teradata on Windows or a necessary Windows component.**
- › **In response to a virus negatively impacting Windows components in a Teradata solution.**

- › As agreed upon and in line with a Teradata Warehouse product release for fixes that are not included in a supported service pack but are deemed necessary for problem prevention, data integrity, system availability or system reliability.

Critical – 1 day from beginning the certification process

Moderate – 1 week from beginning the certification process

Low – 1 month or will wait to the release of a service pack

Not Applicable – for fixes that do not affect the Teradata System, wait for the release of a service pack

If the customer makes the determination that they cannot wait for Teradata to certify and recommend a hotfix or service pack, they should engage Teradata Customer Services and the change may be implemented. **Teradata highly recommends that all customers wait for the fully tested certification of a hotfix or service pack prior to installing.** Teradata is not responsible for problems that occur with the installation or directly from having non-certified software installed. Teradata will provide support necessary to bring the issue to close, but at Teradata's discretion, Teradata may charge for out of scope services to recover the system. **Teradata highly recommends that customers never directly download software, whether it is Teradata developed or not, to a production system. Customers should always first provide installation on a test system, if possible, to help prevent costly problems.**

Virus Protection Scanning Software

Teradata protects internal systems with virus protection software and up-to-date virus definition files; Teradata recommends that customers should do the same for their systems. Teradata does not provide a bundled solution for virus protection scanning software and Teradata does not provide consultation on configuration and software selection for any virus protection software. Teradata is not responsible for viruses on a customer's system. If a virus is detected on a system's hard drive, service to repair the system and quarantine the virus as part of the ESS agreement is regarded as out of scope service. While Teradata will use commercially reasonable efforts to assist when a virus is detected on a customer's system, Teradata assumes no responsibility for data loss relating to such a virus.

3.1.4.5 Hardware Services

7x24 Remote Hardware Diagnostics

Teradata diagnoses and attempts to resolve problems for faults using remote connectivity and Teradata Proactive tools as necessary and appropriate to the level of ESS service. The use of remote diagnostics enables faster resolution and, if necessary, a customer support representative with the right parts to fix the problem or with sufficient knowledge about the problem to quickly identify the cause can be dispatched.

On-Site Hardware Support - 7x24, Monday-Friday

When Teradata determines that a problem requires on-site assistance for repair, a support representative will be dispatched to provide on-site remedial hardware maintenance. This on-site support will be provided during customers contracted on-site hours of coverage. Support outside those hours can be provided for an additional fee. Remedial maintenance consists of those functions required to restore the failed or malfunctioning equipment to an operational state, which is defined as conformance to the manufacturer's then-current customer-level documentation. For example:

- Formatting a replaced drive and performing diagnostic testing
- Verifying a fix after replacement of system modules
- Enabling logon in a Teradata environment

It does not constitute the return of the equipment to an "as was" condition, for example, restoration of customer data or root file system backups once the system is at a login state. If a part needs to be replaced, Teradata will provide the part and install it on an exchange basis. Replacement parts become customer property (if customer owns the equipment); replaced parts become the property of Teradata. Parts do not include consumable items such as batteries, paper and storage media, which may be purchased from Teradata for an additional fee.

Every effort is made to ensure that the support representative dispatched to perform on-site hardware maintenance activities is familiar with the unique features of the customer's environment. For Business Critical customers, this will be an assigned support representative.

Installation of Hardware Engineering Changes or Field Retrofit Orders (FROs)

Throughout the life of Teradata-supported hardware products, Teradata may recommend the installation of hardware updates and modifications. These hardware safety modifications and other mandatory hardware changes are typically the result of new regulations or are required product enhancements that address the performance, reliability or serviceability of Teradata equipment.

Teradata plans the implementation of these changes for all ESS customers using Change Control methodologies. The installation of these changes occurs 8 AM - 5 PM, Monday through Friday for Base and Enhanced service levels and 7x24 for Business Critical service. Installation can be performed outside of this time for Base and Enhanced for an additional fee. In addition, Bull Services will charge, at then-current rates, for work to start up the database, operating system, communications, or applications, or to bring each to a quiet state (e.g., power is off, or the system is at a state where changes will not cause other problems to occur). System backup and extra resources on-site can also be provided for an additional fee.

3.1.4.6 Software Services

7x24 Remote Software Problem Resolution Assistance

Teradata will diagnose and resolve problems isolated to software under contract including operating system, Teradata database, and Teradata utilities. The hours of coverage refer to the local time where the system is located. Local conditions may also dictate variations in coverage.

Teradata will provide software problem resolution assistance from a Teradata Service Center that may include:

- Guidance in locating via *Teradata @ Your Service - Support Link* solutions to known problems
- Guidance in locating information to resolve procedural problems
- Answers to frequently asked questions
- Provision of temporary workaround procedures to circumvent a problem until a code-level fix is provided
- Code-level patches that resolve the reported problem
- Access to maintenance releases that resolve the reported problem

Additionally, Customer can call a Teradata Service Center for assistance in determining the need for a patch or maintenance release and answers to questions on the installation of those patches or maintenance releases.

Access to Software Maintenance Releases and Patches

Teradata @ Your Service provides access to information on support software maintenance releases and fixes or patches (Z and n). The information contained at *Teradata @ Your Service – Support Link* is updated regularly to show all current, available patches for supported software products.

Maintenance releases and patches (Z and n) that are not customer installable and downloadable can be requested through the Teradata support team. Software maintenance release (Z) availability varies by product. Teradata Warehouse software maintenance releases are typically available quarterly on the most current release of Teradata-supported software. Maintenance releases contain all tested and verified patches made to a supported software product during the prior period.

Major software release upgrades (X) and minor software release upgrades (Y) can be ordered from a Teradata sales representative and are subject to the applicable license or subscription fees.

Software Version Support

Four different types of software releases characterize Teradata software products. These releases are differentiated by release number (X.Y.Z.n) and defined as the following:

- X number refers to a major software release upgrade
- Y number refers to a minor software release upgrade
- Z number refers to a maintenance release update
- n number refers to fixes or patches

Maintenance is any activity that directly affects the software code such as source code changes and patches to correct reported software problems. The examples in the table below do not necessarily represent actual releases. Actual releases are listed on *Teradata @ Your Service*. The examples below illustrate how software maintenance and support changes upon a release.

Examples of Software Maintenance Coverage

Release Level	Covered	Description
Example 1		Teradata Software
V2R4.0.2	Yes	Current maintenance release of the current major/minor software release (4.0)
V2R4.0.1	Yes	Still current major/minor software release
V2R4.0.0	Yes	Still current major/minor software release
V2R3.0.3	Yes	Final maintenance release of the previous major/minor software release
V2R3.0.2	No	Not the final maintenance release of the previous major/minor software release
V2R3.0.1	No	Not the final maintenance release of the previous major/minor software release
V2R3.0.0	No	Not the final maintenance release of the previous major/minor software release

Examples of Software Support Coverage

Release Level	Covered	Description
Example 2		Teradata Software
V2R4.0.3	Yes	Teradata supports all releases
V2R4.0.2	Yes	
V2R4.0.1	Yes	
V2R4.0.0	Yes	
V2R3.0.3	Yes	
V2R3.0.2	Yes	

V2R3.0.1	Yes	
V2R3.0.0	Yes	

Teradata will provide Software Problem resolution assistance (Support) for the current and one prior maintenance release update of the current major/minor Software release upgrade. Teradata will also provide Software Problem resolution assistance for the final maintenance release update of the most recent prior major or minor Software release.

Teradata may, at Teradata's discretion, support additional prior releases but not code fixes.

Teradata is not obligated to provide maintenance and support services for software that has been altered other than by Teradata or at Teradata's direction.

Software Maintenance and Support Following Discontinuation

Teradata will make every effort to provide support for up to 12 months after product discontinuation. Maintenance will not be available on discontinued software. The availability of support for discontinued products is not guaranteed and is dependent on the availability of knowledgeable technical specialists and other resources necessary to support the product.

3.1.4.7 24-Hour Incident Reporting

Unlimited Phone Access to Teradata Service Center

Teradata provides unlimited phone access to a Teradata Service Center. After dialing this number, customers enter a personal identification number, (if applicable) to access their own customized menu of options. This menu provides direct routing to Customer Support Representatives within the Teradata Service Center. If the problem was reported outside of the contracted coverage time, the customer support representative will log and schedule resolution at the start of the contracted coverage time.

Unlimited Web Access to *Teradata @ Your Service*

Customers will also be provided with a user ID and password for *Teradata @ Your Service*, which provides unlimited online access to incident and change control status, Technical Alerts and knowledge base articles. Customers are responsible for accessing *Teradata @ Your Service* for checking the status of change controls and Priority 2 and 3 incidents. Customers with access to the incident creation feature of *Teradata @ Your Service* will be able to create and submit unlimited number of Priority 2 and Priority 3 incidents at any time. Web-created incidents are directed to Customer Support Representatives within the Teradata Service Center who will begin addressing any problems. If the problem was reported outside of the coverage hours, the customer support representative will log and schedule resolution at the start of the contracted coverage time.

Customer benefits include the following:

- Convenient on-line access to technical information
- Access to proven, known solutions for problems
- Greater efficiency of internal resources

Customer-Defined Call Priority

The customer, based on the guidelines listed below, determines call priorities for each problem reported to Teradata. The customer may elevate a Priority 3 problem to a Priority 2 or Priority 1 for situations where the problem is more severe or is having a greater impact than initially estimated.

In cases where the customer does not assign a priority, Teradata will. For all priorities, the customer must provide all required problem reporting information. For Priority 1's, the customer must give Teradata immediate unrestricted access to the product and make the appropriate customer personnel available to assist in resolution; otherwise Teradata could reclassify the Priority 1 to a Priority 2 and respond accordingly.

Priority 1: Critical - A problem that prohibits use of the product or renders the product inoperable.

Priority 2: Significant - A problem that causes a significant impact to the business. No acceptable workaround is available. However, operations can continue in a degraded fashion.

Priority 3: Minor - A problem that negligibly impacts customer's ability to do business. These calls also include current product and services usage questions and questions about the installation.

Remote Assistance from a Customer Support Representative

An experienced Customer Support Representative receives customer calls in the Teradata Service Center during contracted coverage hours. With proactive tools and remote connectivity enabled on a customer system, this specialist will have access to detailed knowledge of the installed Teradata products and current configuration information. Without remote connectivity enabled, the customer support representative will be severely limited in the level and speed of support he or she can provide the customer. The customer support representative will function as the owner of the problem and a single point of contact until the incident is resolved.

3.1.4.8 Coverage and Response Times

Remote Response to Customer Call and Web Request

If a customer is not directly connected to a customer support representative, one will call them back within:

- 15 minutes (Business Critical)
- 1 hour (Enhanced)

- 2 hours (Base)

to review the incident and request additional information, if needed. Response time is measured during contracted hours of remote coverage by the interval between the call to Teradata and the first contact via telephone or Web with a Customer Support Representative at the Teradata Service Center.

For Customers with access to report an incident via *Teradata @ Your Service*, a support representative will respond within 2 hours for Priority 2 and next business day for Priority 3 incidents to review the incident and request additional information, if needed. Response time is measured during contracted hours of remote coverage by the interval between submitting the web request to Teradata and the first contact via telephone or Web with a Customer Support Representative at the Teradata Service Center.

Once a Customer Support Representative begins remote support for a Priority 1 call, they will continue to address the problem uninterrupted only during contracted hours of coverage. They will also assist Teradata on-site support personnel, if a dispatch is deemed necessary. At Teradata's discretion, a customer support representative may be interrupted and possibly reassigned if working on P-2/3's.

For critical, Priority 1 calls, if it is determined by Teradata that the call requires on-site support, a support representative will be dispatched and will arrive within the contracted coverage and response time. **Note:** If the call is initiated outside the on-site hours of coverage, a support representative will arrive when the coverage hours resume.

On-Site Response Times

Response time is measured during contracted hours of on-site coverage as the interval between the dispatch of the support representative by the Teradata Service Center and his/her arrival at the customer site. Response times stated below apply to locations within a 25-mile radius of the nearest Teradata support office. An additional hour will be added to the response time for every 25 miles between the customer site and the nearest Teradata support office.

A support representative can be dispatched outside the contracted hours of on-site coverage for an additional fee.

For Priority 1 incidents only, on-site problem resolution assistance will continue uninterrupted in conjunction with continuous effort from the remote support representative beyond the contracted hours of on-site coverage.

For Business Critical Priority 1 Calls: Two Hour On-Site Response Time

For Priority 1 calls, a service representative will be dispatched, when required, to arrive on-site within 2 hours, during contracted coverage hours.

Same day response will be provided for calls reported during contracted coverage hours. For example, if a call is received and a service representative is dispatched at 4 PM, the service representative will arrive on-site on the same business day (assuming coverage is 8 AM - 5 PM, Monday-Friday).

For Enhanced Priority 1 Calls: Four Hour On-Site Response Time

For Priority 1 calls, a service representative will be dispatched, when required, to arrive on-site within 4 hours, during contracted coverage hours. Same day response will be provided for calls reported during contracted coverage hours.

For Base Priority 1 Calls: Four Hour On-Site Response Time

For Priority 1 calls, a service representative will be dispatched, when required, to arrive on-site within 4 hours, during contracted coverage hours.

Same day response will be provided for calls reported during contracted coverage hours. For example, if a call is received and a service representative is dispatched at 4 PM, the service representative will arrive on-site on the same business day (assuming coverage is 8 AM - 5 PM, Monday-Friday).

For Business Critical Priority 2 and 3 Calls: Four Hour On-Site Response Time

For Priority 2 and 3 calls, a service representative will be dispatched, when required, to arrive on-site within 4 hours, during contracted coverage hours.

Four hour response will be provided for calls reported during contracted coverage hours. For example, if a call is received and a service representative is dispatched at 4 PM, the engineer will arrive on-site before 11 AM the next business day (assuming coverage is 8 AM - 5 PM, Monday-Friday).

For Enhanced Priority 2 and 3 Calls: Eight Hour On-Site Response Time

For Priority 2 and 3 calls, a service representative will be dispatched, when required, to arrive on-site within 8 hours, during contracted coverage hours.

Eight hour response will be provided for calls reported during contracted coverage hours. For example, if a call is received and a service representative is dispatched at 4 PM, the engineer will arrive on-site before 3 PM the next business day (assuming coverage is 8 AM - 5 PM, Monday-Friday).

For Base Priority 2 and 3 Calls: Next Business Day On-Site Response Time

For Priority 2 and 3 calls, a service representative will be dispatched, when required, to arrive on-site the next business day, during contracted coverage hours.

Next business day response will be provided for calls reported during contracted coverage hours. For example, if a call is received and a service representative is dispatched at 4 PM, the engineer will arrive on-site the next business day (assuming coverage is 8 AM - 5 PM, Monday-Friday).

3.1.4.9 Service Enhancements – Optional Services

Service Enhancements are optional services that can be purchased with any tier of ESS for optimal service based on the customer's business and availability requirements.

Optional - Dedicated Parts On-Site

When elected, critical spare parts are stocked at the customer site to ensure expedient system restoration. Teradata will also maintain backup parts stock at strategic locations in support of customer. All field-replaceable system components that are not deemed critical, and therefore not stocked on-site, will be available within 24 hours.

Customer agrees to store the dedicated parts in a secure area to which Teradata personnel have unlimited access.

Teradata will perform a monthly physical inventory of the spare parts kit located on-site. Teradata will also periodically review the list of specific parts being stocked for the purpose of removing or adding parts based on criticality and actual usage.

Responsibilities include:

- Establishing spare parts requirements for customer, including local stock as well as on-site parts.
- Managing, tracking and accounting for all spare parts inventory and providing such reports to Customer as requested.
- Returning Field Replaceable Units ("FRUs") to an approved repair facility for refurbishment.
- Tracking of FRUs by serial number where appropriate.

Normally stocked on-site parts that reach an out of stock condition (on-site) will be replenished within 24 hours of being used from the spare parts kit. Otherwise, the on-site parts inventory will be restored to normal quantities within 48 hours.

3.1.4.10 Remote Connectivity

In order for Teradata to efficiently deliver remote support as well as remote hardware and software maintenance activities, a connection between the system(s) to be supported and a Teradata Service Center is necessary. Teradata recommends a token free high-speed business to business connection for external access between the Customer and Teradata Service Centers. This connectivity enables the Teradata Customer Services organization to diagnose and fix customer problems proactively, with more information and results in faster resolution and less

downtime. To constitute a high speed connection, the connection must have a minimum speed of 128 kilobytes per second.

A token free high-speed connection for external access between Customer systems and Teradata Service Centers will allow Teradata to rapidly perform tasks which are severely limited by the traditional dial-up methods, thus reducing down time costs and improving the customers' ability to service their customers. Rapid critical patch downloads, electronic dump uploads, access by multiple support personnel during Priority Incident analysis, and utilization of Teradata Proactive Tools, are a few benefits realized when incorporating a secure and encrypted Business-to-Business High Speed VPN connection.

Teradata Customer Services has designed and priced their Teradata remote maintenance and support service offers based upon the availability of a Business to Business Virtual Private Networks (B2B VPN) connection between all Customer systems under a services agreement and Teradata Service Centers. The Customer and Teradata will be jointly responsible for any installation and on-going costs to maintain remote connectivity equipment and circuits at their respective location.

Should a customer refuse to allow the installation or at any time not allow full utilization of a token free high speed business to business connection, Teradata reserves the right to charge at current rates for delivering services with a non high speed business to business connection. At any time should a customer require Tokens for remote connectivity, Teradata will charge the customer an additional fee for managing the tokens.

Teradata reserves the right to determine if a high speed business to business connection is not the best available option. In this situation Teradata will recommend a non high speed business to business connection.

For any reason due to the lack of high speed business to business connectivity where On-Site support is needed to resolve any problems, support will be charged at Teradata's then current rates.

Minimum Connectivity Requirements for Windows Platform on Teradata

Should a customer elect to run the supported Teradata system on a Windows platform Operating System (Windows 2000), Customer must provide a TCP/IP remote connection for outbound activity. Teradata requires TCP/IP connection to utilize the Teradata Proactive Tools for the Windows platform.

Virtual Private Network (VPN)

VPN is a protocol, which establishes a "virtual circuit" utilizing the public Internet. Special VPN hardware is required at both Teradata and the external customer site to allow for automatic encryption/decryption of data. Teradata will supply this VPN hardware if the customer does not already have it at their site.

Connectivity is to be provided for each Administrative Workstation (AWS) or system and accommodate both inbound and outbound activities. Service delivery activities that use inbound connectivity include remote diagnostics and software distribution for fixes and patches to which Customer has agreed. Service delivery activities that use outbound connectivity include tasks such as dump uploads, communication of detected faults to Teradata Service Center, communication of configuration details required for support, and State of Health reports.

Whatever the connectivity method chosen Teradata and the customer will work together to ensure the best remote connectivity method with the tightest security procedures are in-place and functioning to meet both organizations' business needs. The implementation of any remote connectivity method will be managed through a Teradata Remote Connectivity Project Manager in cooperation with a Teradata Global Network Services Remote Connectivity Coordinator. The Remote Connectivity Project Manager will manage, with the customer's WAN, Circuit and Firewall administrators, the remote connectivity project end to end. The Global Network Services Remote Connectivity Coordinator will be a part of this team to address all security concerns.

3.1.4.11 Customer Support Plan

ESS Enhanced and Business Critical Customer Support Plans document the processes through which Teradata delivers on-going support for all Teradata-supported products. This plan identifies:

- Hardware and software products supported by Teradata and third parties
- Hours of on-site and remote coverage
- Problem resolution process
- Service elected beyond ESS
- Teradata service delivery responsibility

The plan also clearly identifies customer responsibilities including routine maintenance activities and highlights customer expectations of Teradata's support organization.

Business Critical customers also have the following support plan items:

- Availability measurement criteria
- Change management activities
- The assigned support representatives and their contacts in the customer organization

The Support Plan will be made available to the customer through *Teradata @ Your Service*.

** For customers without access to the Support Plan feature of *Teradata @ Your Service*. Teradata will develop and provide the Support Plan to the customer.

3.1.4.12 Service Performance Reporting - Semi Annual for Business Critical, Annual for Enhanced

Teradata will provide On-Demand Service Performance reporting using the service performance report feature of *Teradata @ Your Service*. For customers without access to this feature of *Teradata @ Your Service*, the Service Performance Report will be provided to the Customer on an annual basis for Enhanced or semi annual basis for Business Critical service. This report documents Teradata's responsiveness to all incidents reported to a Teradata Service Center during the quarter compared to the contracted guidelines. The reports provide statistics for incidents opened and closed during the reporting period including:

- Number of incidents open at the start of the reporting period
- Number of incidents opened during the reporting period
- Number of incidents closed during the reporting period
- Number of incidents still remaining open at the end of the reporting period
- Priority of each incident
- Average resolution times by priority
- Percentage of total number of incidents closed within response and resolution time guidelines

3.1.4.13 System Availability Reporting for Business Critical

The System Availability Reports provided with Business Critical Support provide an objective, easy-to-use method of measuring, monitoring and reporting system availability. Teradata's unique Proactive Tools installed on the system automatically gather pertinent system information. The availability tool captures and reports component outages and the duration of the outage. Teradata then analyzes the root cause of the outage and recommends changes to improve availability. The Availability Reports provide the following information:

- Identifies the root source of the outage
- Tracks each minute of downtime
- Summarizes each minute of downtime into problem categories
- Shows availability trends on a rolling twelve month cycle

The benefits to the customer in knowing system availability include the following:

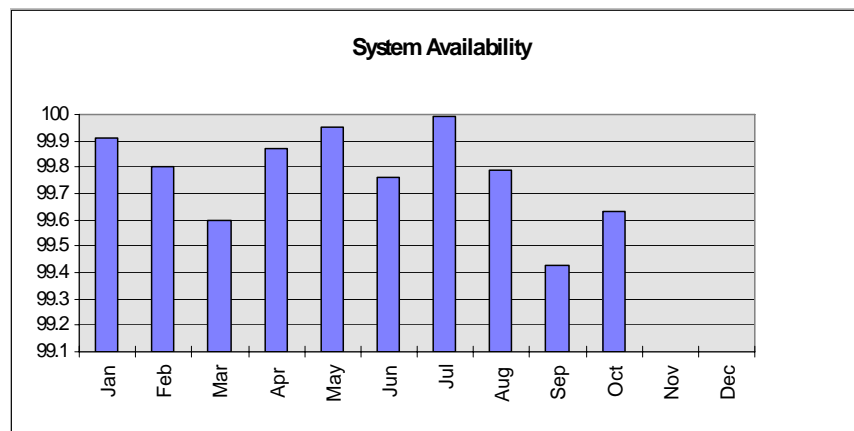
- Better insight into future system operations
- More powerful post-outage analysis to complement continuous improvement activities
- Deeper understanding of the inter-relationships among system components that affect availability
- Accurate measurement of system availability

- Identification of issues impacting availability requiring additional action by Teradata or customer

For example, a Teradata availability report can show that the database can be available, even though a node may be down. By knowing this level of detail, future job scheduling can be better optimized and maximization of system availability for business processes can be achieved. This level of detail also highlights which products and service providers are delivering on acceptable service levels.

Teradata will work with customer to define specific availability measurements and determine probe points—those system resources that are keys to system availability (i.e., disk files, databases and network nodes). The proactive tools will, in turn, be installed and outages will be captured on a daily basis. This data will then be analyzed by Teradata and reported to the customer.

While Teradata reviews the System Availability Reports, the reports will be provided to the customer On-Demand through *Teradata @ Your Service*. For customers without access to the reporting feature of *Teradata @ Your Service* the System Availability Report will be provided to the customer on a Semi Annual basis. These reports identify problem areas requiring corrective action, provide insight into potential areas of failure, and provide trend analyses that enable forward planning decisions. A sample system availability report is illustrated below:



Calculation of Availability - Downtime commences when Teradata is notified that the system is unavailable and will continue until the system is returned to an operational state. The availability calculation only measures downtime within the hours of operation that are associated with the system hardware and associated operating software. That is, any operating system, Teradata, and Teradata Utilities solution sourced or approved by Teradata counts against system availability.

The following equation is used to calculate a system's "Availability Percentage".

Database Availability =

$$\frac{\text{total available hours} - (\text{total outage} - \text{out of scope} - \text{planned outages})}{\text{total available hours}} * 100$$

Total available hours

Database Availability = Percentage of system availability, within Teradata's responsibility.

Total Available Hours = The total number of hours the system must be available to process business transactions. This is also referred to as the Maximum Online Window. For example, customer with 24 hours of coverage in a 30-day month would have 720 hours of potential availability.

Total Outage = The total number of hours accumulated during the Maximum Online Window that the system is unable to process business transactions.

Planned Outages = The total number of customer approved planned system outage hours that occurred during the Maximum Online Window.

Out of Scope = The total number of hours accumulated during the Maximum Online Window that the system was unable to process business transactions due to (1) products or causes outside the system or (2) outages which did not materially impact the customers business operations.

Downtime is to include any unplanned outage due to Teradata supported hardware or Teradata-supplied software failures and should not include planned time for activities such as preventive maintenance (p.m.) work, hardware or software upgrades or updates, and equipment changes. Also excluded are application failures due to system administration errors, application failures, network failures on components not maintained by Teradata, and non-Teradata host system failures.

3.1.4.14 Support Reviews - Annual for Enhanced, Semi Annual for Business Critical

The assigned Teradata support representative will review with the customer the effectiveness of the current support contract and how well the current support will satisfy any planned system enhancements. This meeting is intended to provide a forum to assess the current support coverage, assign actions to those responsible for processes requiring improvement and discuss potential future opportunities for the relationship with Teradata. These could include new support requirements driven by process improvements or a change in the customer's business and opportunities for Teradata to provide additional services. It may be conducted remotely via telephone or on-site, at Teradata's discretion.

During the support reviews, Teradata reviews the Service Performance Reports and the impact of these to the customer's business needs. With the ESS Business Critical Support Review,

Teradata reviews all Service Performance Reports and their impact on system availability as reported in the System Availability Reports.

3.1.4.15 Personalized Support Team for Business Critical

With Business Critical service, support is provided by a team of Teradata experts, seasoned in supporting and maintaining highly available systems. These assigned Teradata support experts are intimately familiar with the customers computing environment, specific configuration and support requirements. The support team provides solutions to prevent and rapidly resolve problems with a mission to ensure that Teradata's service delivery fulfills the customer's particular requirements.

3.1.4.16 Dual System Support

Teradata Customer Services will support Teradata Dual Active Solutions as two single systems. Each system will have an individual site ID for support delivery and tracking purposes.

Teradata advocates different levels of ESS service for the different Dual Active solution implementations:

Active/Active - Business Critical/Business Critical

Active/Passive - Business Critical/Enhanced

Active/Inactive - Business Critical/Base

If one system is knocked out in a disaster situation the other system will automatically be moved to the higher of the two support levels until the second system is brought back. Dual Systems support issues and requirements will be documented in the appropriate Customer Support Plan.

ESS Reports - ESS reports (including the System Health Check report, the TPS Compliance report, and Service Performance report) are system specific, therefore, in Dual Active implementations the customer will get two single system versions of these reports.

The System Availability Report, in addition to the standard single systems reports, will include an integrated Dual Active availability report to show total application availability. This application availability number will be 100% unless both systems are down at the same time for some reason.

Systems Administration Manual - Customers who have implemented a Dual System environment must provide an up to date copy of their Dual -Active Systems Administration Manual to Teradata to ensure proper ESS support. The latest copy of the Manual should be on file with Teradata at all times to ensure Teradata support personnel follow any site specific instructions and minimize system(s) unavailability.

As part of the Dual Active Implementation Service offered by Teradata Professional Services, a Dual Active - System Admin Manual will be provided to the customer. The Dual Active -

Systems Administration Manual is an extension to the TSM Run Book, but is focused on the administrative operations specific to a dual systems implementation. For example, guidance and instructions on how to take one of the systems out of service for planned maintenance with minimal impact on service levels is covered in Manual. Changes and updates to the Manual after the Dual System solution has been implemented are the responsibility of the customer.

Teradata Customer Services will not support elements of the Dual System environment that are considered Field Based Development (FBD) by Teradata.

3.1.5 Out of Scope Services

Services that are not described above are outside the scope of ESS service offers and are chargeable on a per occurrence basis, at then-current rates. If customers request any of these services, Bull Services will inform them, in advance of the service being rendered, that it is separately chargeable. The following are examples of items not covered by ESS:

- Any service which, at customer request, is provided outside the stated hours of coverage, or requested for equipment which is in good operating condition. Good operating condition is defined as being in conformance to the manufacturer's then-current customer-level documentation.
- Services resulting from the following causes:
 - Customer or any third-party's negligence, misuse, or abuse, including the failure to adhere to Teradata site preparation standards
 - Failure to operate equipment in accordance with Teradata's power, environmental, and other specifications
 - Failure to perform regular preventive maintenance activities (e.g., tape head cleaning)
 - Movement of equipment by anyone other than Teradata
 - Improper use of or failure to use supplies meeting Teradata's or the manufacturer's specifications
 - Acts of third parties
 - Fire originating outside of Teradata-furnished equipment, water, acts of God or damage ordinarily covered by insurance
 - Alteration of equipment, software and attachments not provided/approved by Teradata in writing or compatible with Teradata's standard interfaces
 - Improper implementation or operation of software
 - Failure to perform those actions prescribed by Teradata
- Support when a virus is detected on a system's hard drive; Teradata assumes no responsibility for data loss when assisting with the cleaning of a virus, all support is best efforts
- Services related to unsupported products once the cause has been isolated to the unsupported product and communicated to the customer

- Support for software that is not the current and one prior maintenance release of the current major/minor release or the final maintenance release of the most recent major/minor software release when the current release fixes the reported problem
- Repair of equipment when the cause of the problem is due to operator error
- On-site support required due to lack of a modem for remote support or absence of a phone line or network connection and information required for problem resolution (e.g., dump or other debug data, configuration data, etc.)
- Dedicated on-site support resources or spare parts when the option is not purchased
- Supplies (e.g., consumables such as batteries and ribbons)
- Change Control Management for projects that are not Teradata software upgrades
- Services relating to installation, deinstallation, and movement of equipment, and electrical work external to equipment
- Software reloads for operating systems and restoring applications to an operational level as defined in the product specifications
- Product training including customized operational technical procedures and the mentoring of customer personnel
- Services relating to application software support for non Teradata data warehouse software
- System database administrator functions that are a customer responsibility including (but not limited to):
 - Installation/configuration/testing/tuning of third-party non-factory installed applications, components or products
 - Backup and restoration of customer system(s) and related data
 - Emergency diagnostics/installation media
 - System configuration/reconfiguration (e.g., the addition or deletion of terminals, printers or disk/tape subsystems)
 - Kernel/performance tuning related solely to throughput optimization (i.e., not related to a problem, anomaly or error message)
 - Capacity management including file maintenance
 - Security management
 - Management of tailored parameters
 - Creation/modification of shell scripts unique to customer environment
 - Disk management (e.g., disk re-slicing)
 - Administration of user environments
- Management of all support calls to include third-party products and application partners
- Development, implementation, execution, and training of Backup-Archive-Restore procedures and processes
- Development, implementation, execution, and training associated with a disaster recovery plan

- Management of, collection and review of performance data
 - System environment and parameter review
 - Traffic analysis
 - Load analysis
 - System performance improvement reporting
- Capacity Planning
- Systems integration
- Implementation of major software release upgrades (X)
- Custom programming
- Data migration services for database implementation, population, and administration, execution of data loading procedures, data archiving and recovery between two systems

3.2 Teradata Software Subscription

3.2.1 Introduction and Scope

This Teradata Software Subscription Section sets out the terms and conditions applicable to the supply by Bull Services of licenses for certain Upgrades, as defined below, to the State's existing NCR 5380 Production System and the NCR 5250 Test and DR system under the "AS IS" pricing as defined in Section 1.3 of this Proposal and the new NCR 5450 system and NCR 5380 Test and DR system should the State elect to execute the Teradata Upgrade Option in Section 2 of this Proposal (the "Teradata Systems Eligible for Teradata Software Subscription"). These terms will become an integral part of Contract '0156.

References in this Teradata Software Subscription Section to Teradata shall mean Bull Services' subcontractor, NCR Corporation, acting through its Teradata division. Notwithstanding such references, Bull Services shall remain contractually responsible for the obligations set forth herein as applicable to Teradata.

3.2.2 Effective Date and Term

The Teradata Software Subscription commences upon the date that remedial maintenance services for the applicable Teradata System Eligible for Teradata Software Subscription commenced (or any twelve (12) month anniversary thereafter) and continues for a period of twelve (12) months, with twelve (12) month renewals thereafter until three (3), twelve (12) months of Teradata Software Subscription have been completed. Notwithstanding the above, the State may be relieved of this obligation for successive twelve (12) month terms if there are insufficient funds allocated during the State's applicable fiscal year budgeting process.

3.2.3 Eligibility for Subscription

The only Software eligible to receive a Subscription are those specified in the manufacturer's literature as being Teradata software (the "Designated Software") licensed for use on a Teradata based item of equipment (the "Designated Equipment"). In order to receive "Upgrades" (as defined below), the State must first acquire and pay for, or have previously acquired from Bull Services, a license to use the Designated Software on the Designated Equipment, and such license must remain in effect (i.e., has not expired or been terminated) during the term of Teradata Software Subscription.

Four different types of releases characterize NCR software products, including Designated Software: major releases, minor releases, maintenance releases and fixes or patches. These releases are differentiated via the release number, XX.YY.ZZ.nn. The XX number refers to the major release, the YY number refers to the minor release, the ZZ number refers to the maintenance release and the nn number refers to fixes or patches. Under this Exhibit, the State will receive major and minor releases (collectively, "Upgrades") for the Designated Software. All Upgrades provided hereunder, if any, constitute "Software" for purposes of Teradata Software Subscription. The State is not entitled to receive any maintenance releases, fixes or patches under

Teradata Software Subscription; rather, these are provided under Section 3.1 of this Proposal as part of maintenance services.

If during the term of Teradata Software Subscription, the State expands any Designated Equipment (for example, the Designated Equipment increases from a eight-node system to a twelve-node system), the Teradata Subscription Fee for that Designated Equipment will increase (for example, the State will pay a Teradata Subscription Fee equivalent to a twelve-node system) for the remaining term of Teradata Software Subscription. Such increase will be based on Bull Services' then-current price schedule in effect as of the completion date of the expansion, and the State will be invoiced on a prorated basis to the end of the current annual term, and thereafter on each annual anniversary date of Teradata Software Subscription during the thirty six (36) month term thereof.

3.2.4 Upgrade Availability and Altered Software

Upgrades made available under Teradata Software Subscription, if any, are standard Upgrades that Teradata otherwise makes generally commercially available to all licensees of Designated Software. For purposes of Software Subscription, "Altered" refers to any Designated Software that has been changed or modified in any way. Software Subscription does not require Teradata to provide any Upgrades compatible with Altered versions of Designated Software, and Teradata does not represent or warrant that any Upgrades provided pursuant to Teradata Software Subscription will operate as documented by Teradata in conjunction with the State's use of Altered versions of Designated Software. Bull Services may offer the State additional services, for an extra fee, in order to make Upgrades compatible with Altered versions of Designated Software under a separately written agreement. Notwithstanding anything to the contrary, Teradata does not guarantee that any Upgrades will be made available during the term of Teradata Software Subscription.

3.2.5 Subscription

The Subscription consists of the following: in the event that Teradata subsequently announces the general commercial availability of an Upgrade, the State is thereafter entitled to order that Upgrade at no additional charge under Teradata Software Subscription, provided that: (1) Teradata Software Subscription is in effect; (2) the State has paid all Teradata Subscription Fees due; and (3) the State has not otherwise breached the terms and conditions of any Bull Services or Teradata license terms nor Teradata Software Subscription. The State is not entitled to receive Upgrades made generally commercially available prior to the Effective Date of a Teradata Software Subscription term. Only Designated Equipment is covered by Teradata Software Subscription; other Equipment or systems containing Designated Software will not receive Subscription coverage under a Teradata Software Subscription.

Irrespective of any rights attributed to the State defined in this Teradata Software Subscription Section, Bull Services shall be responsible, at its sole discretion, for determining the need for, and for ordering all software under a Teradata Software Subscription.

3.2.6 State Responsibilities

It is the State's responsibility to ensure at the State's expense: (1) that all Designated Equipment is properly upgraded so as to accommodate any Upgrade of Designated Software (for example, prerequisites pertaining to disk space and memory capacity); and (2) that the State has acquired and installed all additional software required by the Upgrade of Designated Software (for example, new operating system or utility releases).

3.3 Software Implementation Services – Part A (Specific Terms)

3.3.1 Introduction and Scope

This Software Implementation Services Section sets out the terms and conditions applicable to annual Software Implementation Services (including the BAR Software Implementation Services), as defined herein, that Bull Services will provide to the State, for the Teradata software validly licensed by the State from Bull Services (the “Teradata Software Eligible for Software Implementation Services”). These terms will become an integral part of Contract ‘0156.

References in this Software Implementation Services Section to Teradata shall mean Bull Services’ subcontractor, NCR Corporation, acting through its Teradata division. Notwithstanding such references, Bull Services shall remain contractually responsible for the obligations set forth herein as applicable to Teradata.

3.3.2 Project Start and End Dates

The annual term of the Software Implementation Services shall commence as of the date that remedial maintenance services for the Applicable Teradata Software Eligible for Software Implementation Services commenced (or any twelve (12) month anniversary thereafter) (the “Start Date”) and continue until twelve (12) months thereafter (the “End Date”).

Irrespective of any rights attributed to the State under the Software Implementation Services as defined in this Software Implementation Services Section, Bull Services shall be responsible, at its sole discretion, for determining the need for software updates under Teradata Software Subscription, for ordering all software under Teradata Software Subscription and for the installation of any software under the Software Implementation Services as defined in this Software Implementation Services Section.

3.3.3 Project-Specific Services

3.4.3.1 Teradata will provide the following services described in this Section 3.3.3 as part of software implementation services (“Software Implementation Services”), which shall be performed with respect to the Teradata Software Eligible for Software Implementation Services that is licensed for use by Bull Services to the State on the applicable Teradata System.

3.4.3.1.1 **Audit.** During the System Software Asset Audit, Teradata will audit the State’s current data warehouse (“Teradata”) environment, identifying:

- Teradata version level
- UNIX, MS-NT, and MS Windows Operating System version level
- Version levels of Teradata clients and utilities

- Teradata hardware firmware levels
- 3.4.3.1.2 Assessment. Teradata will identify the optimal migration path, considering the State's current environment, and will perform the following activities as part of the assessment:
- Create State and site specific software load packages
 - Prepare download packages
 - Pull all packages together and spool packages
- 3.4.3.1.3 Change Control Management. Teradata will develop a change control plan outlining the optimal upgrade migration path ("Change Control Plan"). Teradata will perform the following activities:
- Create Change Control Plans
 - Estimate time frames and sequence of events
 - Identify product and technical dependencies
 - Identify roles and responsibilities
 - Conduct two formal change control meetings:
 - One preliminary upgrade planning meeting to gain plan approval prior to implementation
 - One "Post Mortem" upgrade meeting
- 3.4.3.1.4 Platform Upgrade. Teradata will perform the following activities during the platform upgrade:
- Upgrade the Administrative WorkStation ("AWS"), if applicable, and verify the software load
 - Bring system up to current OS level
 - Reboot
 - Update/Upgrade the database
 - Perform data conversion (if applicable)
 - Package add: Software load and verification
 - System validation: Bteq logon, checktable level one of database DBC
 - Update/Upgrade the Teradata and client software on system nodes
 - Upgrade the firmware (if applicable)
 - Bring down the database
 - Flash firmware
 - Successfully complete the H/W functionality test
 - Verify peripheral connectivity

- Verify the LAN connection from State supplied IP addresses
- Validate OS prompt is achieved on the hardware platform
- Validate that the operating system software is compliant with applicable patch levels
- Validate that Teradata contains the current applicable patch levels
- Validate that Teradata comes to Trusted Parallel Application ("TPA") on all nodes, and logons are enabled
- Bring up the Teradata Director Program ("TDP") on the host (Host connection confirmation)

3.3.4 Project-Specific Deliverables

Teradata will provide the following Deliverables under this Software Implementation Services Section:

- Teradata will provide detailed change control plans for all phases of the Software Implementation Services. These plans will be provided not less than seven (7) days prior to the start of the activity.
- Teradata will provide release documentation in electronic format, describing software changes and new functionality included in the update/upgrade.
- Teradata will provide a release back-out plan as a contingency against failures.
- Teradata will turn the system(s) over to the State with a new version(s) of Teradata software installed and operational.

Teradata reserves the right to perform this software update/upgrade or any part of this software update/upgrade remotely.

3.3.5 Project-Specific Dependencies & Responsibilities / Personnel

Teradata's obligations in this Exhibit and its duty to perform in accordance with this Exhibit are dependent and conditioned upon the following dependencies being satisfied, upon the State being responsible for and completing the following engagement-specific responsibilities, and upon the State providing the following personnel resources:

3.4.5.1 Dependencies and State Engagement-Specific Responsibilities include:

- The State will provide access to the State's network(s) and system(s), as necessary, to allow Teradata to perform the contracted Software Implementation Services. The State will provide user id's, passwords, modems as required
- The State agrees to meet the any site preparation requirements as identified to enable Teradata to perform the Installation Services
- The State will provide facility, workspace, system and dial-in access for Teradata as required
- The State will allow read access to all of DBC

3.4.5.2 State Personnel required for the Project include:

The State will make appropriate personnel available as needed to complete this project including:

- The State's System or Database Administrator – The State will designate a System or Database Administrator who will be available to meet with Teradata personnel on matters pertaining to this project.

3.3.6 Project-Specific Exclusions

The following are excluded from the scope of Teradata's responsibilities under this Software Implementation Services Section and Software Implementation Services not described in Section 3.3.3 are separately chargeable to the State at the current hourly rate or at an agreed upon fixed rate. Should the State request Software Implementation Services which are outside the scope of the Software Update/Upgrade Services described herein, Bull Services will inform the State in advance of the service being rendered that it is separately chargeable. The following services are examples of those not covered by the scope of the Software Implementation Services provided under this Software Implementation Services Section:

- Installing the client software (except on system nodes)
- Upgrading Teradata for Host software
- Application Software installation or upgrade
- Changing the Operating System tuning parameters to optimize performance
- Backing up and restoring data (archive and restore) (Note: For back-out plan purposes, the State will supply the latest data backup; Teradata will perform a data restore as required if the back-out plan is activated).
- Tuning the TDP to other than current factory defaults
- Validating successful Logon from one client
- Performing application performance optimization
- Evaluating system design or architecture
- Performing capacity validation (data, BYNET, processor)
- Performing operational training (to update system and/or database administration activities)
- Educating the State on the new software release features and functions
- Providing follow-on support of the new operating system and Teradata database levels.

3.4 Software Implementation Services – Part B (General Terms)

The following general terms shall also apply to the Software Implementation Services described in Section 3.3 and will become an integral part of Contract '0156.

3.4.1 Services & Deliverables Generally

3.4.1.1 For purposes of this Software Implementation Services Section, “Deliverables” are tangible items (e.g., programs, written materials or other intellectual property, on magnetic media or paper) and items that can be reduced to tangible form (e.g., electronic files), other than Equipment, supplies or Software, including the Upgrade Products which are delivered to the State under this Software Implementation Services Section, which result from the performance of Services under this Software Implementation Services Section, and/or which are identified as Deliverables in this Software Implementation Services Section.

3.4.1.2 The Teradata Project Manager and the State’s Project Manager will determine and agree in writing (such as through a Project Plan) which Deliverables, if any, may require review, testing or measurement against objective criteria prior to delivery, and, in such instances, what criteria and procedures will apply to each such Deliverable. Absent such mutual written agreement, a Deliverable will not be subject to any pre-delivery review, testing or measurement, but it will be subject to any warranties which apply to it. When applicable, prior to final delivery Teradata will perform the agreed-upon review, testing and/or measurement in accordance with the Project Plan, and the State will have the opportunity to participate in such, as set forth in the Project Plan. Teradata will provide the State with notice of such a Deliverable’s failure to meet the agreed-upon criteria and, in such event, will identify which elements of the criteria have not been met. Thereafter, Teradata will use commercially reasonable efforts to modify such a Deliverable so that it conforms to the criteria and otherwise meets the requirements of this Software Implementation Services Section. If Teradata fails to so conform the Deliverable, then the State may either accept it “as is”, or the State may relinquish it to Teradata and not be billed for it by Bull Services.

3.4.1.3 After elements of Software Implementation Services/Deliverables have been performed/tendered as set forth in this Software Implementation Services Section and upon request by Teradata, the State will acknowledge completion of such Software Implementation Service/Deliverable elements by signing and providing Teradata with a completed copy of the “Service/Deliverable Completion Sign-Off Form.” To the extent, if any, that the Project is related to design, installation and/or implementation of software and the State’s sign-off is required for such by the Project Plan, in all events such will be deemed fully complete no later than when the State first uses the applicable software commercially or in a live production environment, irrespective of whether or not the State has signed a Service/Deliverable Completion Sign-Off Form for such.

3.4.1.4 If the State requires rework or modifications beyond the scope of this Software Implementation Services Section, Bull Services will be entitled to an adjustment in fees for the additional work and a corresponding adjustment in the Project Plan/Schedule. Such rework or

modifications may not be limited only to the changed Deliverable, but may include items such as other affected Deliverables and Software Implementation Services.

3.4.2 Project Duration

3.4.2.1 The parties anticipate that Teradata's performance under this Software Implementation Services Section will begin and end on or about the respective Start Date and End Date. Should the Start Date or Teradata's performance under this Software Implementation Services Section be postponed due to unavailability of required hardware and/or software, dependencies identified in this Software Implementation Services Section or in the Project Plan not being satisfied, the State's failure to fulfill the State's responsibilities under this Software Implementation Services Section or under the Project Plan, or unavailability of State personnel, Teradata's performance and the End Date may be delayed/extended. Any delay which the State incurs in providing Teradata with the technological and human resources, data or necessary information for Teradata to perform under this Software Implementation Services Section, and/or the State's provision of information that is inaccurate, incomplete and/or different from specified requirements, also may generate delays in Teradata's provision of the Software Implementation Services/Deliverables. Delays and extensions described in this paragraph shall be at no penalty to Bull Services or Teradata and, as set forth in this Software Implementation Services Section, may result in additional charges to the State by Bull Services.

3.4.2.2 The State may cancel this Project at any time upon thirty (30) days advance written notice. Upon cancellation, the State will pay Bull Services for all Software Implementation Services and Deliverables applied to this Project, including those incurred to end the Project in an orderly manner. The State shall not be liable for any penalty assessment for cancellation under this provision.

3.4.3 General Responsibilities

3.4.3.1 The State and Teradata will mutually agree in writing on a detailed project plan (the "Project Plan"), which typically will occur prior to delivery of any Software Implementation Services/Deliverables under this Software Implementation Services Section and typically will include a Project Schedule. The State and Teradata will each perform the activities and provide the resources described in this Software Implementation Services Section and the Project Plan.

3.4.3.2 Any delays or cost overruns that are caused by the State or the State's contractors having failed to comply with the requirements of this Software Implementation Services Section or the Project Plan may affect the cost, schedule, Software Implementation Services and/or Deliverables for the Project. When these non-Teradata-caused delays and/or overruns result in a material increase in Bull Services' Project costs, Bull Services will inform the State of such, and, if Bull Services elects to invoice the State for such, the State agrees to pay Bull Services' then-current standard rates for similar services and deliverables for the duration of such delay(s)/overrun(s), to the extent that Teradata has had to perform additional Services not called for in this Software Implementation Services Section, has had to re-perform Services, or has been unable to reasonably and productively re-deploy idled Project resources during the period of delay. If the State wants or require further Services or Deliverables from Bull Services after completion of and/or sign-off for Services/Deliverables provided under this Software Implementation Services

Section (beyond Services/Deliverables covered by applicable warranties), then the State and Bull Services will need to enter a Change Order, an additional Software Implementation Services Section and/or an applicable order, and the State will need to pay Bull Services for such post-completion Services/Deliverables.

3.4.3.3 The State and Teradata will each assign a Project Manager. The Teradata Project Manager and the State's Project Manager will: (i) prepare and maintain a detailed Project Plan that identifies and assigns activities, tasks, Software Implementation Services and Deliverables; (ii) resolve deviations from the Project Plan; (iii) conduct the regularly scheduled meetings for the Project Team to review Project status; (iv) implement the Project Change Control Process and any applicable sign-off procedures; (v) serve as the interface between the other party's Project Team and all departments and other resources participating in this Project; (vi) review the work products being produced by the Project Team; (vii) obtain and provide information, data, decisions, and approvals required within agreed-upon time frame(s); and (viii) monitor to determine that support resources are available as needed.

3.4.3.4 Teradata will conduct periodic Project Updates as detailed in the Project Plan, which Project Updates may include detailed Project Status Reviews/Reports, Project Schedule Reviews/Reports and/or higher/management-level Project Steering Committee Reviews/Reports. The Teradata Project Manager typically will issue written Project Update reports in advance of Project Update review meetings, in accordance with the Project Plan. A Project Status Review/Report typically will include the activities completed; near-term activities planned; the status of previously opened issues; a list of new issues, including person(s) responsible for resolution; and, a summary of the Project's overall status. The Teradata Project Manager typically will issue minutes of each Project Update review meeting, in accordance with the Project Plan.

3.4.3.5 The State will provide Teradata personnel and subcontractors with safe and reasonable access, working space and facilities (including heat, light, ventilation, electric current, and outlets), convenient fax, network and Internet access, local telephone extensions (including outgoing analog telephone lines for modems), computer space, and other necessary physical facilities for Teradata and subcontractor personnel who are assigned to this Project.

3.4.3.6 The State will maintain and operate the hardware, software, and data environment required to support the solution to which the Software Implementation Services and Deliverables relate. The State will provide use of this environment to Teradata personnel and subcontractors as required. Unless this Software Implementation Services Section specifies otherwise, the State is responsible for testing, certifying, and loading any required software and/or data, as well as for the completeness, accuracy, quality, consistency, format, and integrity of the data.

3.4.3.7 The State is responsible for the actual content of any data file, selection and implementation of controls on its access and use, and security of the stored data. The State will make all the necessary back-up copies of the completed and in-progress work product associated with this Project which has been provided to or created by the State.

3.4.3.8 The State is responsible for the identification and interpretation of any applicable laws, regulations, and statutes that affect the State's systems or data to which Teradata will have access during this Project. It is the State's responsibility to assure that its systems and processes comply with any such requirements.

3.4.3.9 The State is responsible for the articulation and approval of the business requirements of the solution to which the Software Implementation Services and/or Deliverables relate. The State is also responsible for the resolution of differences between articulated and approved business rules and any contradictions in those business rules identified by the implementation and/or testing of the solution.

3.4.3.10 The Software Implementation Services to be provided by Bull Services include only what is expressly described in this Software Implementation Services Section and the Project Plan, once approved by both parties. Unless Part A of this Software Implementation Services Section and the Project Plan expressly provide otherwise, the Software Implementation Services and Deliverables excluded from this Software Implementation Services Section include, but are not limited to, the following:

Reengineering of processes.

- The solution of any problem originating from the quality of the data.
- The design or development of applications to create non-existent data or to modify current data.
- The construction of a dictionary of current data used to populate one or more databases.
- Training of other people that are not the State's Project Team members.
- Full-production operationalization (such as complete automation and error handling for the data loads) optimization, performance tuning, data and operations management, archive/recovery, and knowledge transfer.
- Complex analytical processing that is not included as part of a Teradata-provided solution's functionality.

3.4.4 Personnel

The State and Teradata will assign personnel to execute the roles required for this Project, as specified in Section 3.3 for Software Implementation Services Section and/or in the Project Plan. Such personnel will constitute the Project Team. Actual individuals assigned to the Project may fill different combinations of roles. The State and Teradata will make available additional personnel as needed to complete the Project. The State is solely responsible for the State's employees and for any third party or subcontractor employees that the State directly manages or engages; Teradata is solely responsible for its employees and for any subcontractors that it directly manages or engages.